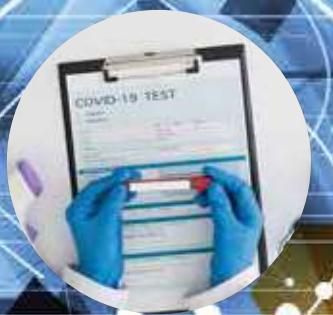


n^x

NEXGRAM HOLDINGS BERHAD
(200401021550 (660055-H))



**ANNUAL
REPORT
2021**

CONTENTS



- 2** Corporate Information
- 3** Corporate Structure
- 4** Group Financial Highlights
- 5** Directors' Profile
- 11** Key Management's Profile
- 12** Management Discussion and Analysis
- 16** Corporate Governance Overview Statement
- 26** Audit Committee Report
- 28** Statement on Risk Management and Internal Control
- 30** Directors' Responsibility Statement in relation to the Financial Statements
- 31** Additional Compliance Information
- 34** Sustainability Statement
- 36** Financial Statements
- 168** List of Properties
- 169** Analysis of Shareholdings
- 172** Analysis of Warrantholdings A
- 174** Analysis of Warrantholdings B
- 176** Analysis of Warrantholdings C
- 178** Notice of Annual General Meeting
- Form of Proxy

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SRI RUSLI BIN AHMAD

Independent Non-Executive Chairman

DATO' YEK SIEW LEE, ROMAN

Managing Director

HJ MAZRU MAT YUSOF

Executive Director

ONG TIAN SOON

Independent Non-Executive Director

FU LIT FUNG

Non-Independent Non-Executive Director

ZAHARIN BIN AHMAD ZAMANI

Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

ONG TIAN SOON

Member

DATO' SRI RUSLI BIN AHMAD

ZAHARIN BIN AHMAD ZAMANI

NOMINATION COMMITTEE

Chairman

ZAHARIN BIN AHMAD ZAMANI

Members

DATO' SRI RUSLI BIN AHMAD

FU LIT FUNG

REMUNERATION COMMITTEE

Chairman

ZAHARIN BIN AHMAD ZAMANI

Members

DATO' SRI RUSLI BIN AHMAD

FU LIT FUNG

SHARE REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi

59200 Kuala Lumpur, Wilayah Persekutuan

Tel : +603 2783 9299

Fax : +603 2783 9222

REGISTERED OFFICE

Level 2, Tower 1, Avenue 5

Bangsar South City, 59200 Kuala Lumpur

Tel : +603-2241 5800

Fax : +603 2282 5022

CORPORATE OFFICE

BO2-A-16, Menara 3, KL Eco City

No. 3, Jalan Bangsar, 59200 Kuala Lumpur

Wilayah Persekutuan

Tel : +603 2202 3767

Fax : +603 2282 5022

Website : www.nexgram.co

AUDITORS

CAS MALAYSIA PLT (LLP0009918-LCA & AF 1476)

B-5-1, IOI Boulevard, Jalan Kenari 5

Bandar Puchong Jaya, 47170 Puchong

Selangor Darul Ehsan

Tel : +603 8075 2300/80/81

Fax : +603 8600 5463

COMPANY SECRETARY

WONG YOUN KIM

(MAICSA 7018778)

(SSM PC No. 201908000410)

BANKERS / FINANCIAL INSTITUTION

Affin Bank Berhad

Alliance Bank (M) Berhad

AmFunds Management Berhad

CIMB Bank Berhad

Malayan Banking Berhad

OCBC Al-Amin Bank Berhad

OCBC Bank (Malaysia) Berhad

Public Bank Berhad

RHB Bank Berhad

SME Bank

STOCK EXCHANGE LISTING

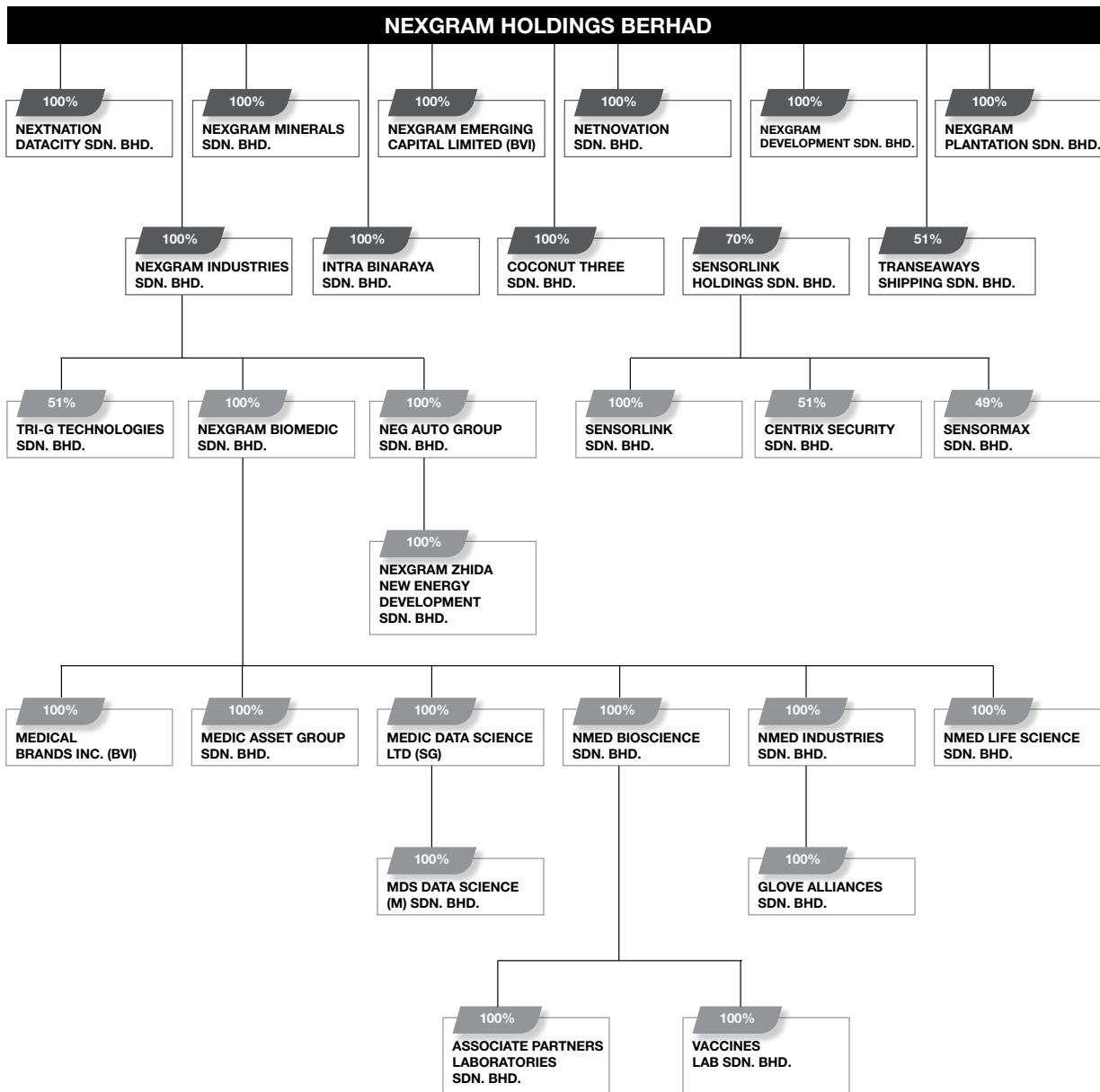
ACE Market of Bursa Malaysia Securities Berhad

Stock Name: NEXGRAM

Stock Code: 0096

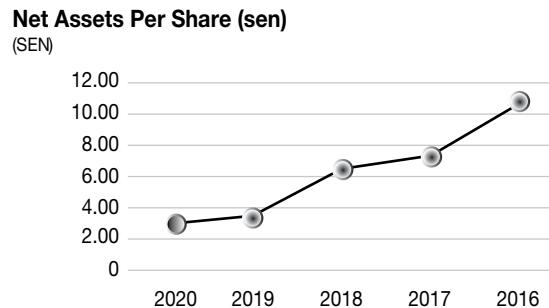
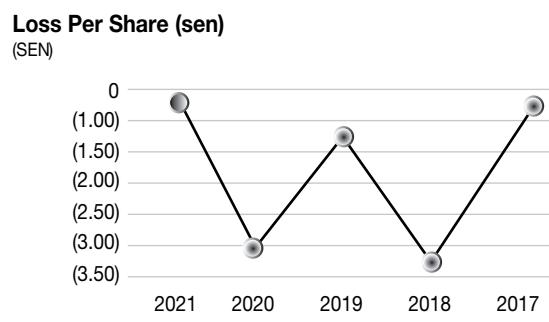
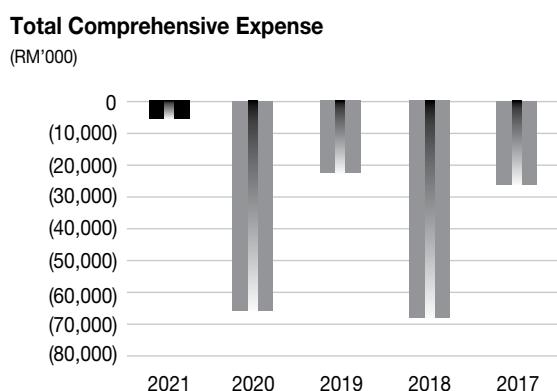
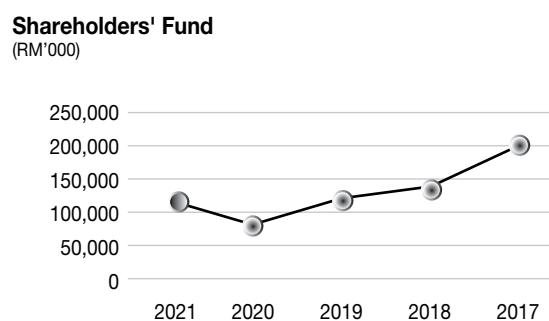
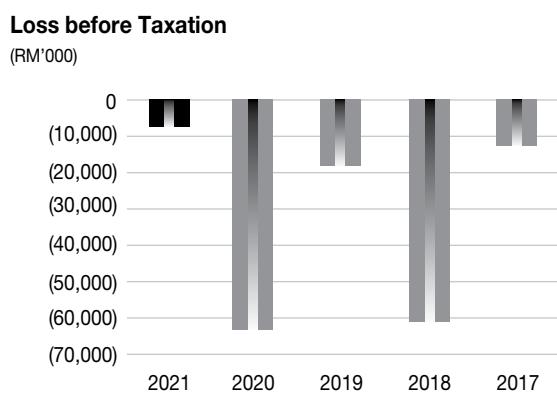
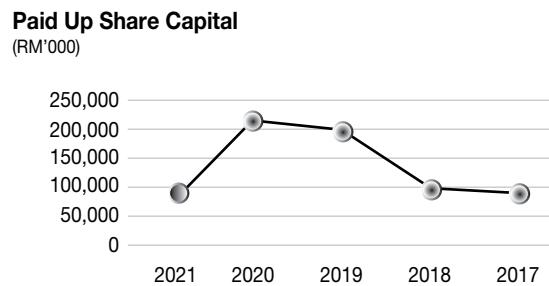
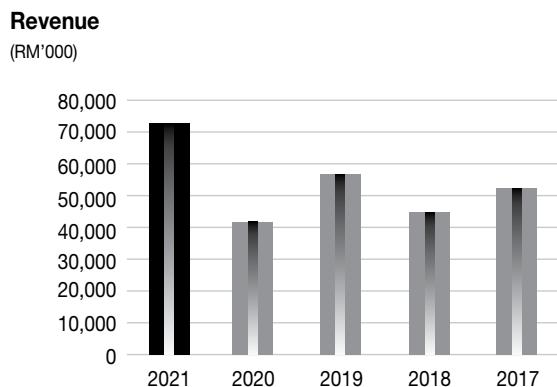
CORPORATE STRUCTURE

n^x



GROUP FINANCIAL HIGHLIGHTS

	Financial Year Ended 31 July 2021 RM'000	Financial Year Ended 31 July 2020 Restated RM'000	Financial Year Ended 31 July 2019 RM'000	Financial Year Ended 31 July 2018 Restated RM'000	15 Months Ended 31 July 2017 RM'000 Restated
Revenue	73,324	41,142	58,056	45,636	53,096
Loss before Taxation	(7,947)	(63,320)	(19,328)	(61,270)	(12,474)
Total Comprehensive Expense	(5,751)	(65,348)	(22,604)	(69,800)	(26,666)
Paid Up Share Capital	90,196	206,520	200,719	98,051	94,157
Shareholders' Fund	113,984	88,947	125,214	144,935	198,741
Loss Per Share (sen)	(0.19)	(2.97)	(1.02)	(3.25)	(0.93)
Net Assets Per Share (sen)	3.10	3.78	6.05	7.44	10.55



DIRECTORS' PROFILE

DATO' SRI RUSLI BIN AHMAD CP (B)

Malaysian, Aged 64, Male
Independent Non-Executive Chairman

Dato' Sri Rusli Bin Ahmad was appointed as an Independent Non-Executive Director of Nexgram Holdings Berhad on 5 March 2019. Subsequently, he was redesignated as Independent Non-Executive Chairman on 30 December 2019.

He obtained his Bachelor of Law from the University Teknologi MARA ("UITM") in 1998. Subsequently, he graduated from the University of Malaya with Degree of Master of Laws in 2006.

He joined Royal Malaysia Police ("RMP") on 12 February 1978 as an Inspector and through his career, he has been assigned to several departments. He has experienced as an Investigation Officer, Criminal Investigation Department in Tawau, Traffic Branch in Kota Kinabalu, Sabah and Bukit Aman Discipline Unit respectively during the service period in the RMP from 1978 to 1992.

During his thirty nine (39) years of service in RMP, he held various positions including Deputy Director of Crime Prevention and Public Safety Department ("JPJKK"), Principal Assistant Director of Research and Development, in Federal Police Headquarters, Bukit Aman and Officer in Charge of Police District, Cheras Kuala Lumpur. He also has exposure to courses and seminars related to crime locally, most of the Asean countries, as well as the United States, Netherland and Australia.

He officially retires from the RMP on 8 May 2017 with his last position as Director with the rank of Police Commissioner in the JPJKK at Federal Police Headquarters, Bukit Aman Kuala Lumpur.

He has previously served as Johor Police Chief in March 2015.

As he contributes to the society and country, His Royal Highness Sultans in various States in Malaysia had awarded him with appreciation titles such as SSAP., DIMP., PGPP., JSM., KMN., AMN.

He is also a member of Audit Committee, Nomination Committee and Remuneration Committee of the Company. Apart from serving as an Independent Non-Executive Chairman of the Company, he is an Independent Non-Executive Chairman of PDZ Holdings Berhad.

As at the date of this report, he held a direct and an indirect of 1,200,000 ordinary shares and 3,845,000 ordinary shares respectively in the Company.

He has attended all the Board Meeting during his tenure in office for the financial year ended 31 July 2021.

He is a Director in PDZ Holdings Berhad. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE

(CONTINUED)

DATO' YEK SIEW LEE, ROMAN

Malaysian, Aged 47, Male

Managing Director

Dato' Yek Siew Lee, Roman was appointed as Executive Director of Nexgram Holdings Berhad on 20 February 2019. Subsequently, he was redesignated as Managing Director on 3 April 2019.

He studied in Nan Hwa High School, he began his career in 1994 with aluminium manufacturing industries. Subsequent to that, from year 1996 to 2004, he was appointed as Chief Executive Officer in one of the diamond interior design companies in Singapore.

He was engaged as independent business advisor in the public listed company, D.B.E. Gurney Resources Group in year 2004 and as special advisor to SPL Resources in the police force logistic affair in year 2013. He acted as Corporate Advisor of Nexgram Group since year 2016.

He is actively involved in social and philanthropy works. In year 2011, he was appointed as director of Nan Hwa High School and subsequently was appointed as Vice Chairman since year 2014. He is an advisor to various ethnic, educations, religious groups and a believer in sustainable socialprenuership society.

As he contributes to the society and country, His Royal Highness Sultans in various States in Malaysia had awarded him with appreciation titles such as DSAP., SAP., SMP., AMP., and PJK.

As at the date of this report, he held 55,163,900 ordinary shares in the Company.

He has attended all the Board Meeting during his tenure in office for the financial year ended 31 July 2021.

He does not sit on the board of other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE

(CONTINUED)

HJ MAZRU MAT YUSOF

Malaysian, Aged 58, Male

Executive Director

Hj Mazru Mat Yusof was appointed as an Executive Director of the Company on 7 January 2016. He is also the Group Chief Financial Officer and Group Chief Operating Officer of the Company.

He obtained his Advanced Diploma in Accountancy from Universiti Teknologi MARA ("UiTM") in 1993. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants ("MIA") since 22 September 1995.

He began his career in August 1987 with AlJefri & Co. Public Accountants (M) as an Assistant Audit Senior, upon obtained his Diploma in Accountancy from UiTM in 1986. Three (3) years later, he joined Malaysian Rubber Exchange and Licensing Board ("MRELB") as an Assistant Accountant. Whilst at MRELB, he studied and graduated with an Advanced Diploma in Accountancy from UiTM in 1993.

In May 1994, he joined Technology Resources Industries Bhd (TRI)/ Celcom (Malaysia) Bhd, as an Assistant Finance Manager, subsequently moving up the rank to become the Finance Manager. He then joined Edaran Komputer (M) Sdn Bhd in 1999 as the Manager of Finance and Administration until June 2002 when he was reassigned to the holding company, Edaran Digital Systems Bhd as the Chief Financial Controller cum Corporate Finance Manager.

His own business exposure started when he joined Faaza Biotech (M) Sdn Bhd in 2004 as the Managing Director, responsible for all financial, corporate matters, marketing and the day-to-day running of business of the Company.

In 2013, he was exposed to the travelling service industry when he joined Triways Travel Network (M) Sdn Bhd as the Chief Financial Officer/ General Manager - Finance, responsible for all financial matters of the company as well as tasked to oversee the management and operation of Triways Travel Centre (M) Sdn Bhd which is part of the Triways Group of Companies.

As at the date of this report, he held a direct and an indirect of 737,400,000 ordinary shares and 273,687,071 ordinary shares respectively in the Company.

He has attended all the Board Meeting during his tenure in office for the financial year ended 31 July 2021.

He does not sit on the board of other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE

(CONTINUED)

ONG TIAN SOON

Malaysian, Aged 41, Male

Independent Non-Executive Director

Mr. Ong Tian Soon was appointed as an Independent Non-Executive Director of Nexgram Holdings Berhad on 1 October 2019.

He obtained his BA (Honours) in Accounting and Finance from the University of Greenwich, UK in 2012. Subsequently, he graduated from the London Metropolitan University with MS in Accounting and Financial Management in 2016. He is a member of Malaysian Institute of Accountants ("MIA"), fellow member of Chartered Institute of Management Accountants ("FCMA"), member of Chartered Global Management Account ("CGMA"), member of Chartered Tax Institute of Malaysia ("ACTIM"), ASEAN CPA and registered filing agent in Singapore.

He began his career in Mar 2002 with PWC Singapore as Associate (Performance Improvement). Two (2) years later, he joined British Chamber of Commerce as an Accounts Executive. In January 2007, he joined Ewe, Loke & Partner as an Internal Audit Manager. He continued his career in Raffles Music College as Operation Director in January 2009.

Currently, he serves as a managing partner of an international consultancy firm based in Malaysia and Singapore, which provides business advisory, sustainability report, corporate governance services, internal audit, performance improvement, business technology solutions, quality management system and Pre & Post-IPO which are in the various industries such as manufacturing, aerospace, food, services, construction, hospitality, FMCG.

He leads the Internal Audit team covering the South East Asia Region as well as Greater China and currently, he involves in internal control reviews for companies seeking Initial Public Offering ("IPO") on National Stock Exchange of Australia ("NSX"), Singapore Stock Exchange and Bursa Malaysia and developing Risk Management Structure, Sustainability Report and Framework in compliance of post or pre listing requirements.

He also lectures in private college for ACCA module, UK Diploma and Degree. He is Human Resource Development Fund ("HRDF") certified trainer provide corporate training workshop cover director's duty, corporate governance, risk management, transfer pricing, change management etc.

He was appointed as the Chairman of the Audit Committee of the Company on 1 October 2019.

As at the date of this report, he did not hold ordinary shares in the Company.

He has attended all the Board Meeting during his tenure in office for the financial year ended 31 July 2021.

He is a director in Ecomate Holdings Berhad. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE

(CONTINUED)

ZAHARIN BIN AHMAD ZAMANI

Malaysian, Aged 65, Male

Independent Non-Executive Director

Encik Zaharin bin Ahmad Zamani was appointed as an Independent Non-Executive Director of Nexgram on 7 October 2014.

Currently, he is the Managing Director of Zaharin Nexcap Property Consultants Sdn. Bhd. registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia. He is a registered Valuer, Estate Agent and Property Manager with the Board. His services include valuation, estate agency, property management and property consultancy.

He obtained his Diploma in Estate Management from the Universiti Teknologi MARA ("UiTM") and Diploma in Valuation from the University of Auckland, New Zealand. Currently, he is holding a fellow member of the Royal Institution of Surveyors, Malaysia. Besides that, he is a member of the Malaysia's Association of Valuers, Property Managers, Estate Agents and Property Consultants in Private Practice, Malaysia and a member of the Malaysian Institute of Professional Property and Facility Managers, Malaysia.

He began his career as a Valuation and Property Services Officer in the Valuation & Property Services Department of the Ministry of Finance Malaysia. In his twelve (12) years of service tenure with the public sector, his role was to assist and advise the Federal Government, State Government, Local Authorities and Statutory Authorities on matters relating to the correct valuation of landed properties. He also assists in determining and negotiating the Fair Market Values of landed properties for taxation purposes such as on Stamp Duty, Estate Duty and Real Property Gains Tax.

In 1993, he joined Malaysia Building Society Berhad ("MBSB") as a Technical Manager, Northern Region for a period of ten (10) years. In MBSB, he was responsible in appraising properties in respect of individual and project cases to ensure that professional standards are maintained in the valuation judgement. He was then promoted to General Manager of Prudent Legacy Sdn Bhd, which is a subsidiary of MBSB and was responsible for the overall management of the company including the administration and control of various mixed development projects.

Subsequently, he became the Senior Executive Director of Knight Frank Malaysia Sdn Bhd and Executive Director of Knight Frank (Ooi & Zaharin Sdn Bhd). He was involved in the management of a portfolio of properties under Real Estate Investment Trusts.

He is a member of National Real Estate Research Fund ("NAPREC") as an expert panel and also sits in the Property Management Committee, Valuation Committee and Test of Professional Competence Interview Panel of The Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia.

He is a member of the Audit Committee, Chairman of the Nomination Committee as well as the Remuneration Committee of the Company.

As at the date of this report, he did not hold ordinary shares in the Company.

He has attended all the Board Meeting during his tenure in office for the financial year ended 31 July 2021.

He does not sit on the board of other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE

(CONTINUED)

FU LIT FUNG

Malaysian, Aged 52, Male

Non-Independent Non-Executive Director

Mr. Fu Lit Fung was appointed as an Independent Non-Executive Director of Nexgram on 24 March 2006 and subsequently re-designated to Non-Independent Non-Executive Director on 8 December 2014.

He is currently an Executive Director of a private limited company whose principal businesses are dealing in IT gadgets and accessories, software developments and others.

He graduated with a Bachelor of Business from Monash University, Melbourne, Australia. He began his career with Yeo Hiap Seng (Singapore) in 1988 and was attached to an accounting firm in 1992 before he joined a multinational company in 1993. Prior to his current position, he was a Finance and Administration Manager of BASIS Corporation Sdn Bhd from 1999 to 2004.

He is a member of the Nomination Committee and the Remuneration Committee of the Company.

As at the date of this report, he did not hold ordinary shares in the Company.

He has attended all the Board Meeting during his tenure in office for the financial year ended 31 July 2021.

He does not sit on the board of other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

KEY MANAGEMENT'S PROFILE

AW MUN KONG

Malaysian, Aged 52 Male
Managing Director, Sensorlink Holdings Sdn Bhd

Mr. Aw Mun Kong is the Managing Director of Sensorlink Holdings Sdn Bhd and its subsidiaries ("Sensorlink Group"). He has been the Managing Director of Sensorlink Group since its incorporation in 2005. He has been involved in the security surveillance industry for the past 30 years.

Sensorlink Holdings Sdn Bhd is a 70% owned subsidiary of Nexgram Holdings Berhad. Sensorlink Group is principally involved in the business of import and distribution of security and video surveillance equipment.

He is also a shareholder of the Company, holding direct interest of 2,126,400 ordinary shares and indirect interest of 133,933,334 ordinary shares.

He does not hold any directorships in other public companies. He does not have family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

ANG CHIN POO

Malaysian, Aged 50, Male
Managing Director, Transeaways Shipping Sdn Bhd

Mr. Ang Chin Poo is the Managing Director of Transeaways Shipping Sdn Bhd, a 51%-owned subsidiary of Nexgram Holdings Berhad. Transeaways Shipping Sdn Bhd is principally involved in the logistic and shipping business.

He graduated from Pittsburgh State University with a Bachelor of Business Administration majoring in Finance in 1992. He continued with the University and earned a Master of Business Administration in 1993 and Master of Science majoring in Human Resource Development in 1994.

He has over 20 years of experience in the shipping and logistics industry. He began his career with Trans World Airlines in Kansas, United States of America as an Auditor in 1994 and was promoted to Senior Auditor a year later. Upon his return to Malaysia in 1997, he worked in TA Asset Management Sdn Bhd as a Fund Manager for two (2) years. He co-founded Transeaways Shipping Sdn Bhd in 1999.

He does not hold any directorships in other public companies. He does not have family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

NOR HALIM AHMAD

Malaysian, Aged 50, Male
Managing Director, Tri-G Technologies Sdn Bhd

Encik Nor Halim Ahmad is the Managing Director of Tri-G Technologies Sdn Bhd, a 51%-owned subsidiary of Nexgram Holdings Berhad. Tri-G Technologies Sdn Bhd is principally involved in the medical business.

He had his tertiary education from the Manchester Metropolitan University, United Kingdom. He started his career at Matsushita Electronics Sdn Bhd in 1994. He then joined the Malaysian Airlines Property Development team to be part of the construction and development of the MAS Administration and Engineering Complex in KLIA.

After the completion of KLIA in year 1999, he later joined Edar ALS Sdn Bhd headquartered in Germany. He started his own business venture in year 2000 until to date. His business interest is now in various vertical namely in medical supply, fintech, drones and IOT.

He does not hold any directorships in other public companies. He does not have family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

On behalf of the Board of Directors (“the Board”) of Nexgram Holdings Berhad (“Nexgram” or “the Company”), we are pleased to present the Annual Report and the Audited Financial Statements of the Company and its subsidiaries (“the Group”) for the financial year ended 31 July 2021 together with the Management Discussion and Analysis (“MD&A”).

The following MD&A of the operating performance and financial condition of the Group for the twelve (12) months ended 31 July 2021 should be read in conjunction with the Audited Financial Statement for the year ended 31 July 2021 and related notes thereto.

The information presented in the MD&A, including information relating to comparative period in 2021, is presented in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), unless otherwise stated.

OVERVIEW OF BUSINESS AND OPERATIONS

Nexgram is a Company listed on the ACE Market of Bursa Malaysia Securities Berhad under the Technology category. The share capital and number of shares of the Company is represented by 3,674,983,874 ordinary shares equivalent to RM90,195,510 as at 31 July 2021.

For the financial year ended 31 July 2021 (“FYE 2021”), the Group is streamlining its operations and focus on its information, communication and technology (“ICT”), logistics, and medical divisions. The Group recorded revenue of RM73.32 million and a loss before taxation of RM7.95 million in FYE 2021. The Group foresee there are growth potentials in these segments despite the current economic conditions.

CORPORATE OBJECTIVE AND STRATEGIES

The Management views that year 2021 will continue to be a challenging year due to the outbreak of Covid-19, current economic and politics issues taken part in Malaysia. The ICT division involves the trading and distribution of security and video surveillance equipment via its 70% owned subsidiary, Sensorlink Holdings Sdn Bhd (“Sensorlink”). The principal products of Sensorlink and its subsidiaries (“Sensorlink Group”) comprise security and video surveillance equipment under house-brand, Centrix and various established third-party brands. The Sensorlink Group has approximately 600 customers, ranging from individuals, government and corporations from the commercials, retails, housing and financial sectors. Sensorlink Group is currently exploring various options to promote and generate demand for its principal products, including but not limited to:

- (i) maintain good relationships with existing customers and business partners such as its suppliers of security and video surveillance equipment to secure recurrent and referral sales/ projects;
- (ii) participate in relevant exhibitions, seminars and conferences to generate brand and product awareness;
- (iii) conduct product training and provide after-sales services such as technical support, troubleshooting assistance, warranties and repair services to its users and customers as part of the Group’s marketing and promotional initiatives for its products and services;
- (iv) collaborate with technology providers to develop innovative video surveillance applications; and
- (v) develop new sales channels to create business synergy and cross selling strategies.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

CORPORATE OBJECTIVE AND STRATEGIES (CONTINUED)

As of our logistics division involves the provision of handling, stock piling, receiving and loading of dry bulk cargo (i.e. bauxite, iron ore, manganese ore and etc.) services at Kuantan Port, Kemaman Port, Johor Port and Batu Pahat Jetty via its 51% owned subsidiary, Transeaways Shipping Sdn Bhd (“**Transeaways Shipping**”). Transeaways Shipping also provides holistic logistics solution for containerised cargo which involves forwarding, freighting and haulage service at Kuantan Port, Johor Port and Tanjung Pelepas Port. Transeaways Shipping’s customers comprise multinational corporations at Gebeng Industrial Area in Kuantan, Paka Industrial Park in Kertih and Pasir Gudang Industrial area in Johor as well as companies that are involved in the various industries including oil and gas, chemicals, manufacturing and mining. Transeaways Shipping intends to explore the following various initiatives to expand its logistics services, including but not limited to:

- (i) Transeaways Shipping’s office is located in Kuantan, Pahang. In order to expand its domestic coverage, Transeaways Shipping intends to improve its network coverage by strengthening its geographical presence by securing new additional contracts as well as setting up a logistics center and depot in Johor and Kelantan to cater to a wider customer base;
- (ii) Transeaways Shipping intends to provide additional value-added customer support services such as marine insurance application for cargo, co-packing and repacking of cargo, issuance and checking of shipping-related documents such as packing list and draft bill of lading as well as logistics training program to customers’ logistics staff. This will enable Transeaways Shipping to improve its customer support services levels; and
- (iii) Transeaways Shipping intends to provide temporary and long-term warehousing storage with secured storage facilities as well as the service of cargo loading/ stuffing into containers. This will provide customers with convenience and flexibility for shipping arrangements.

Nexgram Industries Sdn Bhd had a newly incorporated group of medical division, Nexgram Biomedic Sdn Bhd (“NBio”) and sister company Tri-G Technologies Sdn Bhd provides healthcare related services such as:

- (i) COVID-19 health screening facilities and devices including Laboratory Management, RT-PCR Swab Test, Speed Molecular Test Kits, Antibody, Antigen and Saliva Rapid Test Kit (RTK) as well as PPE (e.g. gloves and masks); and
- (ii) open platform solution to the Government (i.e. TracAPM Digital System), the healthcare industry (i.e. Tracvirus Lab & Clinic System) facilitating COVID-19 health screening results and vaccination reports to the public and private hospitals as well as clinics nationwide; as well as SafeTravelPass Malaysia International travellers entry registration. The Group provides COVID-19 medical test and vaccines record platform with Tracvirus antifraud and anti-fake Electronic Certificate (E-Cert), an E-Health certification on COVID-19 Test & Vaccination authenticity check for inbound travellers worldwide. The system is an open platform build to facilitate the payment collection and the test orders use by Ministry of Health (“MOH”), as well as MOH accredited laboratories and medical centers to manage lab processes using QR code and electronic systems to minimise human intervention, negligence and mistakes.

In July 2020, Tracvirus was introduced to MOH and subsequently the system is included in SafeTravelPass Malaysia for the facilitation of all travellers coming into Malaysia. The system was reviewed by multi-agencies and further recommended for use by Malaysian National Security Council (Majlis Keselamatan Negara Malaysia) in November 2020.

The Ministry of Defence in January 2021 supported the use of both systems and Prime Minister Office accepted the use of the components under TracAPM digitalisation system operated by Malaysia Civil Defence Force (Angkatan Pertahanan Awam Malaysia, or APM). On 24 March 2021, the former Prime Minister launched the TracAPM Digital System which solved the digitalisation of APM forces on-the-ground in handling the pandemic quarantine station, transportation, screening test and emergency response as well as handling of corpse due to COVID-19.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

CORPORATE OBJECTIVE AND STRATEGIES (CONTINUED)

The system has successfully solved the multi-agencies manual processes under one unified platform in the Kuala Lumpur International Airport (KLIA) since February 2021 for all travellers entering Malaysia, all kinds of quarantine tracking including hotel, government facilities and home quarantines. The system was further being implemented as pilot project in Sarawak for all international borders entries as well as all domestic travel bubble entry points for Island of Langkawi, in KLIA, KLIA2, Subang, Ipoh, Johor and Sarawak airports, as well as Kuala Perlis Ferry Terminal, Kuala Kedah Ferry Terminal and other entry points in support of the nation moving from the pandemic stage into the endemic stage concept.

The TracAPM digital system is meant for digitalisation of all aspect of services within APM and for the pandemic component includes screening test and vaccine record verifications, unification of local and international digital certificates and in compliance to Onepassworld International medical digital privacy and security standards. Under one unified platform, travellers coming to Malaysia can register for the “SafeTravelPass Malaysia” online at <http://safetravelpass.com.my>. The digital pass can be verified by the TracAPM system at all airports and borders including the KLIA upon arrival. TracAPM travellers’ entry registration as well as pre-registration system (i.e. SafeTravelPass Malaysia) are recognised by the National Disaster Management Agency (NADMA) and other relevant agencies to ensure secure and safe travel in and out of Malaysia as well as domestic travel bubbles.

In addition, the Group also cooperates with industry experts in the research for the development of drugs and vaccine for Covid-19, as well as other molecular diagnostic treatments for cancer, and anti-aging formulas.

FINANCIAL PERFORMANCE

The Group recorded revenue of RM73.32 million in the financial year ended 31 July 2021 (“FYE 2021”) compared to RM41.14 million reported in the previous financial year ended 31 July 2020 (“FYE 2020”). During the year under review, the Group’s revenue saw significant increased by 78.22% contributed from our Group’s Healthcare segments.

The healthcare segment revenue increased to RM42.41 million (FYE 2020: RM4.05 million). However, due to pandemic, the Group logistic and ICT security division were temporarily halted due to weaker demand. As a result of this, the revenue decreased by RM2.21 million and RM1.31 million respectively.

The significant increase in revenue during the year has improved the Group’s loss after tax to RM8.80 million (FYE 2020: RM62.85 million). The improvement was because of cost effective measures by the management to control the Group’s operational expenses and include disposing of its subsidiaries.

The reduced in loss after tax during the financial year was mainly attributable to:

- (a) one-off profit on disposal of Arita of RM5.92 million during the FYE 2021, and;
- (b) one-off profit on disposal of PT NDS of RM0.21 million during the FYE 2021.

FORWARD LOOKING STATEMENT

The Group expects to continue expanding into new Government digital services (i.e. TracAPM) to airports and jetties to enable the public’s movement through these gateways to be tracked by the Government.

The unprecedented COVID-19 pandemic has led the Malaysian Government to effect containment measures i.e., the enforcement of several phases of MCOs since mid-March 2020 nationwide which led to periodical shutdown of non-essential activities. The Group’s businesses were also disrupted as conventional ICT and logistics industry (i.e. dry bulk cargo activities) were deemed as non-essential activities; while the healthcare related services were allowed to operate as it is deemed as essential services. The introduction of healthcare services such as COVID-19 health screening and Government digital services such as travelers entry registration, quarantine process management systems, quarantine station hotel and transport management (i.e. transporting travelers to quarantine station hotel) by the Group in 2021 represents an opportunity for the Group to provide timely service during the COVID-19 pandemic, which correspondingly mitigated the Group’s reliance on its conventional ICT and logistics segment which experienced business challenges and economic slowdown as a result of the implementation of the MCOs.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

FORWARD LOOKING STATEMENT (CONTINUED)

The Group expects the demand for its ICT and logistics services to resume as Malaysia transits into the national recovery phases in the 2nd half of 2021 onwards together with the resumption of economic activities. Starting from 11 October 2021, fully-vaccinated individuals are allowed cross-state travel and cross-district activities throughout the country and are required to adhere to the imposition of strict Standard Operating Procedures.

As the transition to normalcy and herd immunity from COVID-19 would happen gradually, the Group is of the view that demand for healthcare related services will continue to grow due to the precautionary measures undertaken by the public and government. Furthermore, with the resumption of economic activities, the Group expects the demand for its ICT and logistics services to improve in tandem with the economic activities.

CORPORATE SOCIAL RESPONSIBILITY

The Group are committed to run our business in a responsible and sustainable manner that adds value for our stakeholders, workplace and community. Social responsibility is an integral part of the Group's business philosophy and contribute to the society.

Community

The Group is mindful of the responsibility to contribute in a direct manner to those less fortunate.

The Group has made donation of funds and kind to selected charities and societies, amongst others:

- i. Donation for Covid-19;
- ii. Donation to *Pertubuhan Tentera Tidak Berpencen* for their food and financial support;
- iii. Donation for *Majlis Solat Hajat* for Gua Musang Community;
- iv. Donation to Nan Hwa High School for advertisement in their school publication;
- v. Donation to *Kelab Kebajikan & Sosial Pejabat Ketua Menteri Melaka*; and
- vi. Donation for *Kembara Ramadhan*.

CONCLUSION

The Management expects year 2022 will be challenging but remains confident with the business opportunities identified and will act cautiously to ensure continued business growth.

Yours sincerely,

HJ MAZRU MAT YUSOF

Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Malaysian Code of Corporate Governance defines corporate governance as: “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders.”

The Board of Directors of Nexgram Holdings Berhad (“the Company”) believes in upholding the standards of corporate governance in conducting the affairs of the Company and its group of companies (“the Group”) with integrity, transparency and professionalism. The Board of Directors (“the Board”) commits to ensure that a sound framework of best practices of good corporate governance as prescribed in the Malaysian Code on Corporate Governance 2017 (“the Code”), is generally implemented and in place at all levels of the Group’s businesses to protect and enhance long-term shareholders’ value and all stakeholders’ interest. This statement also serves as a compliance with Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance (“MCCG 2017”) known as Board Leadership and Effectiveness (Principal A), Effective Audit And Risk Management (Principal B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principal C) throughout the financial year ended 31 July 2021.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

The Board takes full responsibility for the performance of the Group. The Board's duties and responsibilities, including but not limited to, determining the Group's overall strategic plans, performing periodic review of business and financial performance, engaging in succession planning, reviewing the adequacy and the integrity of the management information and internal control systems of the Group and the Company, as well as adopting practical risk management and internal controls for the Group and the Company.

The Board has established three (3) Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advice. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. These Terms of Reference are reviewed periodically in accordance with the needs of the Company and taking into account the changes in the business, governance and legal environment that may have an impact on the discharge of the Committees' duties and responsibilities.

The Group aims to ensure a balance of power and authority between the Chairman and Executive Director with a clear division of responsibility between the running of the Board and the Company's business respectively. The Group also emphasises and practices a division of responsibility between the Executive and Non-Executive Directors. The distinct and separate roles of the Chairman and Executive Director, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

Board Charter

A Board Charter was formalised to set out the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board members are aware of their duties and responsibilities as Board members.

The Board will periodically review the Board Charter and make necessary amendments to ensure it remains consistent with the Board's objectives, current law and practices. A copy of the Board Charter is available on the Company's website at www.nexgram.co.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

Code of Conduct

The Board recognises the need and importance of formalising and committing to ethical values through a code of conduct to ensure the implementation of appropriate internal systems to support, promote and ensure its compliance. The Code of Ethics and Conduct had been uploaded on the Company's website at www.nexgram.co.

Whistleblowing Policy

The Board is committed to achieve and maintaining high standards of corporate governance practices across the Group. A Whistle-blowing policy is implemented to provide a channel to enable Directors, Employees, Shareholders, Vendors or any parties with a business relationship of the Group with an avenue to report suspected wrongdoings that may adversely impact the Group. It also outlines the procedures for reporting a genuine concern on any breach of conduct that are taking place, have taken place or may take place in the future. The Company treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in a good faith.

Further details pertaining to the Whistle-blowing Policy can be found at the Company's website at www.nexgram.co.

Anti-Bribery and Corruption Policy

The Malaysian Anti-Corruption Commission Act 2009 was amended in 2018 to incorporate section 17A on corporate liability for corruption which took effect on 1 June 2020. The said laws prohibit acts of bribery and corruption and mandate that companies establish and maintain adequate procedures to prevent bribery and corruption. In this regard, the Company had on 29 May 2020 put in place an Anti-Bribery and Anti-Corruption Policy which governs all forms of bribery and corruption in the Group.

Further details pertaining to the Anti-Bribery and Anti-Corruption Policy can be found at the Company's website at www.nexgram.co.

Company Secretary

The Board is supported by qualified and competent Company Secretary who is responsible for ensuring that the Company's constitutions, procedures, policies and regulations are complied with. Also ensuring that, all obligations required by the regulatory and under the Listing requirements are fulfilled in a timely manner. The Board is regularly updated and advised by the Company Secretary on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretary is suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretary in discharge of their functions.

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the Ace Market Listing Requirements of Bursa Malaysia. The Board held six (6) meetings during the financial year ended 31 July 2021 and the attendance at the meetings were as follows:

Directors	No. of Meetings attended
Dato' Sri Rusli Bin Ahmad	6/6
Dato' Yek Siew Lee, Roman	6/6
Hj Mazru Mat Yusof	6/6
Ong Tian Soon	6/6
Zaharin Bin Ahmad Zamani	6/6
Fu Lit Fung	6/6

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

Training of Directors

The Board is aware of the importance for its members to undergo continuous training to keep themselves abreast of the latest development in the economy, industry and technology, as well as to be updated on changes to regulatory requirements in order for them to discharge their duties and responsibilities more effectively.

All the Directors have attended the Mandatory Accreditation Programme (“MAP”) as prescribed by the ACE Market Listing Requirements of Bursa Securities.

The Board encourages its Directors to attend talks, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities towards corporate governance, operational and regulatory issues. The Directors are briefed by the Company Secretary on the letters and circulars issued by Bursa Securities, if any, at every Board meeting.

During the financial year, all the Directors had participated in various training programs. Particulars of the seminars and courses attended are as follows:

Name of Directors	Date	Seminar / Training Course Title
Dato' Sri Rusli Bin Ahmad	11 Jun 2021	Awareness of MACC 17A & Corruption, Bribery and Legal Requirement
Dato' Yek Siew Lee, Roman	3 November 2020 25 May 2021 11 Jun 2021	Fraud Risk Management Workshop Tax Audit And Tax Investigation: Checkmate For Taxpayers Awareness of MACC 17A & Corruption, Bribery and Legal Requirement
Hj Mazru Mat Yusof	25 May 2021 27 May 2021 11 Jun 2021 25 Jun 2021 9 November 2021	Tax Audit And Tax Investigation: Checkmate For Taxpayers Pathway To Equity Capital Via Initial Public Offering (IPO) Awareness of MACC 17A & Corruption, Bribery and Legal Requirement Positioning CFOs as CVOs - CFO Circle Session by Malaysian Institute of Accountants Virtual CFO Event “Gen Z and the Future for Accountancy”
Ong Tian Soon	12 August 2020 4 September 2020 14-16 September 2020 21 October 2020 4 November 2020 9 January 2021 25-27 January 2021 28 February 2021 20 May 2021 6-7 April 2021 26 April 2021 27 May 2021 11 Jun 2021	Transformational Technologies in Finance Tax Agent Under Sec 153(3) of The ITA 1967 Certified Management Systems Auditor (CMSA) COVID 19 impact on Financial Reporting and Internal Controls Purchase Price Allocation for business Combinations Why do we value intangibles? Practical Guide on Implementing <IR> - Approved <IR>Training Programme Practitioner Level 2021 Budget Seminar The Accounts Roles in fraud mitigation - A selective Mindset Malaysian Tax Conference 2021 The Tax issues and Law Relating to Property Transactions, Estates and Trusts Pathway to Equity Capital via initial Public Offering (IPO)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

Training of Directors

During the financial year, all the Directors had participated in various training programs. Particulars of the seminars and courses attended are as follows: (Continued)

Name of Directors	Date	Seminar / Training Course Title
	16 June 2021 24 June 2021 9 July 2021 27-28 July 2021 18 August 2021 20 August 2021 2-3 September 2021 13 October 2021 9-11 October 2021 21 - 22 Oct 2021	Awareness of MACC 17A & Corruption, Bribery and Legal Requirement Share Buy-Back, and Dealings in Listed Securities, Closed Period and Insider Trading Pre & Post IPO Rules and Key updates to Listing Requirements Financial Digitalisation and Data Governance National Tax Conference 2021 Anti-Money Laundering/.Combating the financing of Terrorism ("AML/CFT") Course ISO 20400 Lead Sustainable Procurement Manager C2ESG :Climate Change & ESG Conference Interview for Approved Company Auditors 7th Professional Business Valuation Courses: Best Practice for Business Valuations/Reporting and Case Analysis/Best Practices for Valuating Intangibles MIA Webinar Series: Quality Assessment Review on Internal Audit Activities
Zaharin Bin Ahmad Zamani	3 September 2020 9 September 2020 13 October 2020 5 December 2020 11 June 2021 14 June 2021 24-25 June 2021 27 August 2021 1 September 2021 13 October 2021	Challenges Confronting Property Valuation Practitioners by Independent Auditors and Advisers + Banking Issues Kajian Perlaksanaan Model Amalan Terbaik Pengurusan Penyewaan Hartanah Datuk Bandar, Dewan Bandaraya Kuala Lumpur (DBKL) 13th Malaysian Property Summit 2020 Oil Palm Plantation & Valuation Approaches Awareness of MACC 17A & Corruption, Bribery and Legal Requirement Implementing Amendments in the Malaysian Code on Corporate Governance 23rd International Surveyors Congress Fraud in Property Transaction 16th NAPREC Conference 14th Malaysia Property Summit 2021
Fu Lit Fung	3 November 2020 11 Jun 2021	Fraud Risk Management Workshop Awareness of MACC 17A & Corruption, Bribery and Legal Requirement

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

The Board currently of six (6) Directors is made up of one (1) Independent Non-Executive Chairman, one (1) Managing Director, one (1) Executive Director, two (2) Independent Non-Executive Directors, and one (1) Non-Independent Non-Executive Director.

The Board believes that the current size and composition reflects an appropriate balance of Executive and Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.

The Managing Director is responsible for the daily operations of a company, organisation, or corporate division. Managing Director primarily work as the heads of individual business units within a company rather than heading up the company as a whole. As a member of senior management, the managing director is also expected to keep a company solvent and to promote expansion and innovation within the industry.

The Executive Director is responsible for the overall performance and operations as well as the corporate affairs and administration of the Group. He is assisted by the Key Management of the Group in managing the business activities of the Group towards achieving strategic goals and objectives in the manner that is consistent with the policies, procedures and practices of the Group and in accordance with the specific plans, instructions and directions set by the Board.

The Non-Executive Directors are independent from the management and majority shareholders. They play an important role in contributing their expertise and experiences to give independent judgement to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct.

In compliance with the recommendations of Malaysian Code On Corporate Governance, all of the Independent Directors of the Company has tenure not exceeding a cumulative term of nine (9) years.

Gender Diversity

The Board has no specific policy on gender, age and ethnicity for candidates to be appointed to the Board. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

The Nomination Committee, will however continue to take steps to ensure that gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.

Nomination Committee

The Company's Nomination Committee ("NC") comprised three (3) Non-Executive Directors. The members of the NC are as follows:-

1. Zaharin Bin Zamani (Chairman)
2. Dato' Sri Rusli Bin Ahmad
3. Fu Lit Fung

The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Directors, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees.

The Terms of Reference of the NC are available at the Company's website at www.nexgram.co.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (Continued)

Nomination Committee (Continued)

The Company's Constitution provides that one third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:-

- the Director's contributions to the Board and ability to continue to contribute productively;
- the Director's attendance at Board and committee meetings;
- the Director's compliance with the Code;
- whether the Director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for Board service; and
- the independence of the Director.

III Remuneration

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

Remuneration Policy

The Board Remuneration Policy was established with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key senior management. On a yearly basis, the Remuneration Committee reviewed and recommended to the Board the remuneration packages of the Executive Directors, while the remuneration for the Non-Executive Directors was determined by the Board as a whole. Fees and benefits payable to the Directors are subject to approval by the shareholders at the Company's AGM. The affected Directors had abstained from participation in deliberations and decisions regarding their individual remuneration.

In making its recommendation, the Remuneration Committee considered the principles set out in the Board Remuneration Policy. Board remuneration was structured to align rewards to corporate and individual performances besides adequately compensate the Directors for risks and complexities of the duties and responsibilities they assumed. The Remuneration Committee also obtained data for similar roles of other public listed companies in the same industry for comparison.

All Executive Directors and Key Senior Management are subject to an annual performance process. The individual performance rating serves as a basis to determine their variable compensation payments and thereby rewards individual performance. The Board Remuneration Policy also covers bonus framework for the Executive Directors and Key Senior Management, which link their appraisal process to specific reward and incentive outcomes. The appraisal process will assess the individual performance against the Key Performance Indicator targets and competency capability in meeting the Group's core values and Leadership and Management Expectations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III Remuneration (Continued)

Director's Remuneration

The objective of the Company's policy on Directors' remuneration is to ensure the level of remuneration is sufficient to attract and retain the Directors to run the Company successfully. The aggregate remuneration paid or payable to all Directors of the Company for the financial year ended 31 July 2021 are as follows:

Group Level

Name of Directors	Fee/Salaries and Other Emoluments	Bonus	EPF and SOCSO	Benefits in Kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Non-Executive Directors					
Dato' Sri Rusli Bin Ahmad	62.6	-	-	-	62.6
Ong Tian Soon	38.2	-	-	-	38.2
Fu Lit Fung	55.6	-	-	-	55.6
Zaharin Bin Ahmad Zamani	38.6	-	-	-	38.6
Executive Directors					
Dato' Yek Siew Lee, Roman	120.0	-	-	-	120.0
Hj Mazru Mat Yusof	210.0	-	25.2	-	235.2

Company Level

Name of Directors	Fee/Salaries and Other Emoluments	Bonus	EPF and SOCSO	Benefits in Kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Non-Executive Directors					
Dato' Sri Rusli Bin Ahmad	62.6	-	-	-	62.6
Ong Tian Soon	38.2	-	-	-	38.2
Fu Lit Fung	37.6	-	-	-	37.6
Zaharin Bin Ahmad Zamani	38.6	-	-	-	38.6
Executive Directors					
Dato' Yek Siew Lee, Roman	120.0	-	-	-	120.0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III Remuneration (Continued)

Director's Remuneration (Continued)

The Directors' remuneration is broadly categorised into the following bands for the financial year ended 31 July 2021 are as follows:

Range of Remuneration	Number of Executive Directors	Number of Non-Executive Directors
RM50,000 and below	-	2
RM50,000 – RM100,000	-	2
RM100,001 – RM150,000	1	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	1	-
Total	2	4

The detail remuneration disclosure of each Director is not provided as the Board believes that this information will not add significantly to the understanding and evaluation of the Group governance.

The details of the remuneration of the Key Management Personnel (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM100,000.00 during the financial year ended 31 July 2021 are as follows:-:

Range of Remuneration	Designation
RM100,000 and below	-
RM100,001 – RM150,000	1
RM150,001 – RM200,000	-
RM200,001 – RM250,000	2
Total	3

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

There is an effective and independent audit committee. The board is able to objectively review the audit committee's findings and recommendations. The company's financial statement is a reliable source of information.

The Audit Committee comprises wholly of Independent Non-Executive Directors. The Audit Committee Report is set out separately in the Annual Report. Full details of the Audit Committee's duties and responsibilities are stated in its Terms of Reference which is available on the Company's website.

The Audit Committee consists of the following members:

- (a) Ong Tian Soon (Chairman)
- (b) Dato' Sri Rusli Bin Ahmad
- (c) Zaharin Bin Ahmad Zamani

The Terms of Reference and activities during the financial year of the Audit Committee are presented in the Audit Committee Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

II Risk Management and Internal Control Framework

Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with a reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

The Board is fully aware of its overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to identify the risks to which the Group is exposed and mitigate the impacts thereof to meet the particular needs of the Group.

As an effort to enhance the system of internal control, the Board together with the assistance of external professional Internal Audit firm will undertake to review the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

Internal Control Plan

The Board also acknowledges that the Group's business activities involve some degree of risk that may affect the achievement of its business objectives and an effective risk management should be an integral part of the Group's daily operations.

It is the responsibility of key management personnel which is the head of subsidiary companies to identify, evaluate and manage risks faced by the Group on an on-going basis within defined parameters. The deliberation of risks and related mitigating responses are carried out at regular management meetings attended by the Executive Directors and key management staffs. Significant risks are communicated to the Board at the quarterly scheduled meetings. The practices and initiatives by Management serve as an on-going process adopted by the Group to continuously review, identify, evaluate and manage risks faced by the Group.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communication with Stakeholders

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

Relationship with Shareholders

The Board recognises the need for transparency and accountability to the Company's shareholders as well as regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. The Company ensures the timely release of the quarterly financial results, press releases and corporate announcements that are made to its shareholders and investors, are clear, unambiguous, succinct, accurate, and contains sufficient and relevant information to enable shareholders and investors to make informed investment decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

II Conduct of General Meetings

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at general meetings.

The AGM is the principal forum for dialogue with shareholders. It is a useful opportunity for the Directors to promote and encourage bilateral communications with its shareholders through participation at the AGM. The external auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any.

All resolutions put forward to a general meeting for voting are to be decided on a poll. A scrutineer will be appointed to monitor the conduct of polling for each general meeting. The outcome of all resolutions proposed in general meeting, including the total number of votes cast on the poll (together with percentage) in favour of and against of each resolution, will be announced to Bursa Securities at the end of the meeting day.

The Company also maintains a website (www.nexgram.co) that allows the shareholders, investors and members of the public in general access to the latest information about the Group.

Corporate Disclosure Policy

The Board has adopted a corporate disclosure policy to provide effective communication to its shareholders and general public regarding the business, operations and financial performance within the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Board has approved this statement for issuance.

AUDIT COMMITTEE REPORT

The Audit Committee of Nexgram Holdings Berhad (“the Company” or “Nexgram”) was established with the objective of assisting the Board of Directors of Nexgram in the areas of corporate governance, systems of internal controls, risk management and financial reporting of the Group to:

- (i) evaluate the quality of the audits performed by the internal and external auditors;
- (ii) provide assurance that the financial information presented by the management is relevant, reliable and timely;
- (iii) overseeing compliance with laws and regulations and observance of a proper code of conduct; and
- (iv) determine the quality, adequacy and effectiveness of the Group's control environment.

MEETINGS

There were five (5) meetings held during the financial year ended 31 July 2021 and the records of their attendance are as follows:

	No. of Meetings attended
Chairman:	Ong Tian Soon
Members:	Dato' Sri Rusli Bin Ahmad
	Zaharin Bin Ahmad Zamani
	5/5
	5/5
	5/5

The Terms of Reference of the Audit Committee are available at the Company's website at www.nexgram.co.

REVIEW OF THE COMPOSITION OF THE AUDIT COMMITTEE

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once in every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with the Terms of Reference.

SUMMARY OF ACTIVITIES

The main activities of the Audit Committee in discharging its functions and duties during the financial year ended 31 July 2021 were as follows:

- Reviewed the audit plan, nature and scope of the audit with Internal and External Auditors;
- Reviewed with the External Auditors the results of the audit, the audit reports and the management letters;
- Reviewed the unaudited quarterly financial statements of the Company and the Group and ensured compliance with approved accounting standards, other legal and regulatory requirements, before recommending them for Board's approval;
- Reviewed the audited financial statements of the Company and the Group prior to submission to the Board for consideration and approval;
- Reviewed the performance of the internal audit function;
- Reviewed the Internal Audit Reports on findings, recommendations and management responses thereto and to ensure that material findings are adequately addressed as well as to ensure that corrective actions were taken by Management.

AUDIT COMMITTEE REPORT

(CONTINUED)

SUMMARY OF INTERNAL AUDIT FUNCTION

The Audit Committee is aware of the fact that an adequately resourced Internal Audit Function is essential to provide independent and objective advice on the effectiveness of the Group's internal controls to the Audit Committee and thereafter to the Management.

The Group has outsourced the internal audit. The audit was performed and reviewed all operating units within the Group, with emphasis on principal risks areas. Risk based approach was adopted towards planning and conducts of audits which are partly guided by the Corporate Risk Management framework. The scope of work is as follows:-

- To evaluate the system of internal control based upon the Group's standard operational manuals and put forward recommendations to the Audit Committee and senior management;
- To assess the Group's Risk Management Framework and Corporate Governance Policy;
- To establish an overview of the adequacy and effectiveness of the system of internal control within the Group in order to provide reasonable assurance regarding the effectiveness and efficiency of operations and compliance with established policies, procedures, applicable laws and regulations.
- To address issues or concerns as requested by Audit Committee or Senior Management and review existing operations or internal audit programs to determine whether they are consistent with the Audit Committee's and/or Senior Management's expectation; and
- To review new system of internal controls implemented by the Group so as to determine the progress of the said system is consistent with the goals and objectives of the Group.

Further details of the activities of the internal audit function are set out in the Statement on Risk Management and Internal Control in this Annual Report.

For the financial year ended 31 July 2021, the cost incurred for the internal audit function was RM14,840 (2020 : RM14,000)

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Nexgram Holdings Berhad is pleased to present the Statement on Risk Management and Internal Control (“SORMIC”) of the Group in accordance with Rule 15.26 (b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Principles and Best Practices provisions relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance (“MCCG”). This Statement has been prepared in accordance with the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers issued by the Task Force with the support and endorsement of Bursa Securities.

ROLES AND RESPONSIBILITIES

Board of Directors

The Board of Directors (“BOD”) recognises and affirms its overall responsibility in maintaining a sound system of Group’s internal control and the need to regularly review its adequacy and integrity. The system covers not only financial controls but also operational and compliance controls. In view of the limitations inherent in any internal control system, the Group’s system of internal control put in place by the Management can only manage risk within tolerable levels, rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

Audit, Nominating and Remuneration Committee

Board committees such as Audit Committee, Nominating Committee and Remuneration Committee are established by the BOD and they are governed by clearly defined terms of reference and authority for areas within their scope.

RISK MANAGEMENT FRAMEWORK

The Board also acknowledges that the Group’s business activities involve some degree of risk that may affect the achievement of its business objectives and an effective risk management should be an integral part of the Group’s daily operations.

It is the responsibility of key management personnel which is the head of subsidiary companies to identify, evaluate and manage risks faced by the Group on an on-going basis within defined parameters. The deliberation of risks and related mitigating responses are carried out at regular management meetings attended by the Executive Directors and key management staffs. Significant risks are communicated to the Board at the quarterly scheduled meetings. The practices and initiatives by Management serve as an on-going process adopted by the Group to continuously review, identify, evaluate and manage risks faced by the Group.

INTERNAL CONTROL SYSTEM

The Board regularly reviews internal control issues identified by internal auditors, management and evaluates the adequacy and effectiveness of the Group’s risk management and internal control system on an on-going basis. The Group’s key elements of internal control are as follows:

1. Clearly defined delegation of responsibilities to management and operating units, including authorisation levels for key aspects of the business.
2. Clearly documented internal policies, guidelines, procedures and manual, which are updated from time to time.
3. Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues and address weaknesses and improve efficiency.
4. Engage and appoint solicitors, financial advisors and other competent professional as may be required in respect of any corporate exercise undertaken by the Group.
5. Financial results are reviewed on a quarterly basis by the Board and Audit Committee.
6. Informal Board and management meetings at operational level are held during the financial year in order to assess performance and controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

INTERNAL AUDIT FUNCTIONS

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to an independent business consulting firm as part of its efforts to provide adequate and effective internal control systems. The internal audit function adopts a risk-based approach in addition to an independent and objective reporting on the state of Group's internal control system.

The Internal Auditors has performed the Risk Assessment as follows:

1. Collection management of Transeaways Shipping Sdn Bhd, the 51% owned subsidiary; and
2. Inventory management of Tri-G Technologies Sdn Bhd, the 51% owned subsidiary.

Through the reviewed, assessed and commented on the effectiveness and adequacy of the existing control policies and procedures and provide recommendations for the improvement of the control policies and procedures. The Board continues to take measures to strengthen the control environment. In the financial year under review, there were no material losses, incurred as a result of weakness in the internal control that would require disclosure in this Annual Report.

The Board will continue to improve and enhance the existing system of internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITOR

Pursuant to Rule 15.23 of the Listing Requirement of Bursa Malaysia Securities Berhad, the External Auditor has reviewed this SORMIC for inclusion in the Annual Report of the Group for the financial year ended 31 July 2021. The External Auditor has reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board has received assurance from the Managing Director and Executive Director that the Group's risk management and internal control system is operating adequately and effectively with recommendation of improvement from time to time in all material aspects, in accordance with the risk management framework and internal control system of the Group.

The Board is of the view that there is no significant breakdown or weaknesses in the current system of internal controls of the Group that have resulted in material losses incurred by the Group for the financial year ended 31 July 2021 was due to taking drastic actions in terms of justification in the true and fair value of investment and ensure proper book record. The Board and the management will continue to take necessary measures and on-going commitment to strengthen and improve its internal control environment and processes.

The Board has approved this statement for issuance.

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to take reasonable steps in ensuring that the financial statements of the Group and of the Company are properly drawn up in accordance with the provisions of the Companies Act, 2016, applicable financial reporting standards and approved accounting standards in Malaysia so to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and the cash flows of the Group and of the Company for that year ended.

The Directors consider that in preparing the financial statements for the financial year ended 31 July 2021:

- The Group and the Company have adopted the appropriate accounting policies and applied them consistently;
- reasonable and prudent judgements and estimates have been made;
- all applicable approved accounting standards in Malaysia have been followed; and
- the financial statements have been prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and of the Company maintain proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company, to enable them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities as well as material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

ADDITIONAL COMPLIANCE INFORMATION

OTHER DISCLOSURES

STATUS OF UTILISATION OF PROCEEDS

a) Disposal of one block of 11-storey stratified office building located at Kuala Lumpur for a total consideration of RM67,000,000.00.

On 31 December 2018, Coconut Three Sdn Bhd, a wholly-owned subsidiary of the Company has entered into a Sale and Purchase Agreement (“SPA”) with IMS Development Sdn Bhd (“IMS”) for the disposal of one block of 11-storey stratified office building located at Kuala Lumpur for a total consideration of RM67,000,000.00.

On 23 August 2019, an Extraordinary General Meeting (“EGM”) of the Company was held for the purpose to obtain approvals of all relevant parties and/or authorities Coconut Three Sdn Bhd to dispose Nexgram Tower to IMS for a cash consideration of RM67,000,000.00 and upon such terms and conditions as set out in the sale and purchase agreement (“SPA”) dated on 31 December 2018.

The Disposal has been completed on 25 June 2020 in accordance with the terms and conditions of the SPA.

The proceeds arising from the disposal of RM67,000,000.00 were utilised as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended timeframe for utilisation
	RM'000	RM'000	
Repayments of bank borrowings	48,800	48,655	Within six (6) months
Provision of payment of judgement sum to Spacious Glory Sdn Bhd	12,500	-	Within six (6) months
Retention of rental and utilities deposits paid by Nexgram Tower's tenants	1,000	894	Within six (6) months
Payment to non-trade creditors	1,600	1,241	Within six (6) months
Working capital	2,800	3,326	Within six (6) months
Expenses in relation to the Proposed Disposal	300	384	Within one (1) months
Total	67,000	54,500	

b) Settlement debt owing to a director and selected creditors

On 1 November 2019, the Company undertake a settlement debt owing to a Director, Tuan Haji Mazru Mat Yusof (“Tuan Haji Mazru”), as well as selected creditors, Ozura Firstlogix Sdn Bhd (“Ozura”) and Capital Day Holdings Sdn Bhd (“Capital”). Total debts amounting to RM23,454,665.00 will be settled through the issuance of 2,345,466,465 Irredeemable Convertible Preference Share (“ICPS”) at an issue price of RM0.01 each pursuant to 3 separate settlement agreements on 30 August 2019 (“Settlement Agreements”) in the following manner:-

Director/Creditor	Debt owed by the Group (RM)	No. of ICPS to be issued
Tuan Haji Mazru	10,110,871.00	1,011,087,071
Ozura	12,543,794.00	1,254,379,394
Capital	800,000.00	80,000,000
Total	23,454,665.00	2,345,466,465

ADDITIONAL COMPLIANCE INFORMATION

(CONTINUED)

OTHER DISCLOSURES (CONTINUED)

STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

b) Settlement debt owing to a director and selected creditors (continued)

Salient term of the ICPS

The ICPS are convertible into new Conversion Shares with the following conversion modes:-

- i. 2 ICPS for every 1 Conversion Share (“Conversion Mode 1); or
- ii. 1 ICPS together with the payment of RM0.01 for every 1 Conversion Share (Conversion Mode 2)

Under Conversion Mode 1, a total of 1,172,733,232 Conversion Shares may be issued upon full conversion of the ICPS. Under Conversion Mode 2, a total of 2,345,466,465 Conversion Shares may be issued upon full conversion of the ICPS.

On 6 December 2019, all the conditions precedent in relation to the debt settlement have been fulfilled and the debt settlement was completed by allotment and issuance of ICPS to the director and selected creditors.

On 17 September 2021, all the number of ICPS has been fully converted as below:

Director/Creditor	No. of ICPS	No. of ICPS has been converted	Balance of ICPS
Tuan Haji Mazru	1,011,087,071	(1,011,087,071)	-
Ozura	1,254,379,394	(1,254,379,394)	-
Capital	80,000,000	(80,000,000)	-
Total	2,345,466,465	(2,345,466,465)	-

SHARE BUYBACK

The Company had at its Sixteenth Annual General Meeting held on 23 December 2020 obtained approval from the shareholders in relation to the Share Buy-Back authority, whereby the Directors were authorized to purchase and/or hold at any point in time up to ten per cent (10%) of the issued and paid share capital of the Company for the time being quoted on the Bursa Malaysia Securities Berhad.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options or convertible securities in issue during the financial year under review.

DEPOSITORY RECEIPT PROGRAMME

The Company has not sponsored any depository receipt program during the financial year under review.

IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or management by any regulatory bodies during the financial year under review.

NON-AUDIT FEE PAID TO EXTERNAL AUDITORS

There was a non-audit fee paid to the external auditors for the financial year under review amounting to RM22,590.

ADDITIONAL COMPLIANCE INFORMATION

(CONTINUED)

VARIANCE IN RESULTS

The Company did not make any public release on profit estimate, forecast or projection for the financial year under review.

There was no deviation of 10% or more in the profit after tax and minority interest between the audited and the unaudited results announced for the financial year ended 31 July 2021.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year under review.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts or loans entered into by the Company and its subsidiaries involving the interests of the Directors and major shareholders during the financial year under review.

CONTRACTS RELATING TO LOAN WITH DIRECTORS AND/ OR MAJOR SHAREHOLDERS

Save for the advances from the Executive Directors to the Company, there were no other contracts relating to a loan involving Directors and/or major shareholders during the financial year under review.

SUSTAINABILITY STATEMENT

The Board of Directors are responsible for the Group's sustainability strategies and performance and is supported by the Group's management to identify sustainability matters, oversee the implementation and monitor its progress. The Group continuously reviews its sustainability practices and efforts to ensure they remain relevant as best practices.

STAKEHOLDER ENGAGEMENT

We place great value on our diverse stakeholders and by engaging with them regularly, we are able to better understand their viewpoints and align their needs in our business decisions.

Stakeholders	Engagement channels	Frequency of engagement	Topics
Investors	<ul style="list-style-type: none"> ⇒ General meetings ⇒ Corporate announcements ⇒ Website 	<ul style="list-style-type: none"> ⇒ Annual ⇒ Quarterly ⇒ As and when required 	<ul style="list-style-type: none"> ⇒ Long term value creation ⇒ Corporate governance and sustainability practices
Customers	<ul style="list-style-type: none"> ⇒ Email ⇒ Phone ⇒ Social media 	<ul style="list-style-type: none"> ⇒ As and when required 	<ul style="list-style-type: none"> ⇒ Affordable product and solution ⇒ Product and service quality
Suppliers/ Contractors/ Consultants	<ul style="list-style-type: none"> ⇒ Formal meetings ⇒ Assessments and reviews ⇒ Written communication 	<ul style="list-style-type: none"> ⇒ As and when required 	<ul style="list-style-type: none"> ⇒ Timely payments ⇒ Product quality
Employees	<ul style="list-style-type: none"> ⇒ Management meetings ⇒ Performance appraisals ⇒ Employee engagement activities ⇒ Training and development ⇒ E-communications and memo 	<ul style="list-style-type: none"> ⇒ Weekly ⇒ Bi-annual ⇒ Annual ⇒ Regular 	<ul style="list-style-type: none"> ⇒ Welfare and benefits ⇒ Career development
Regulators/ Government agencies/ Local authorities	<ul style="list-style-type: none"> ⇒ Formal meetings ⇒ Written communication 	<ul style="list-style-type: none"> ⇒ As and when required 	<ul style="list-style-type: none"> ⇒ Compliance

MATERIAL SUSTAINABILITY MATTERS

The Sustainability Statement covers the areas – Economic, Environment and Social that we plan to focus our attention in immediate future.

(a) Economic

We ensure that our sustainability practices are extended to all of our stakeholders are well being taken care of. As part of the Group's mission, we strive to deliver sustainable quality products and services to our customers. As such, we place emphasis on the procurement of materials and products to ensure the suppliers are reputable, able to deliver quality products that are free from defects and in a timely manner whilst being most cost efficient so as to ensure our branding remain affordable to the customers and to build their confidence and trust. By having a majority of our suppliers being locally based, this will in turn help build the local economy. Besides, we committed to recover our financial position and enhancing our competitiveness through adopting good and ethical business practices, corporate governance as well as effective capital management.

(b) Environment

The Group recognises the impact of its day-to-day business on the environment. As such, the Group is committed by implementing environmentally-friendly work processes while raising the environmental awareness among its staff.

SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIAL SUSTAINABILITY MATTERS (CONTINUED)

(c) Social

(i) Employee Retention, Development and Engagement

a) Employee Welfare

The Group continues to ensure that the reward packages remain competitive to attract, retain and motivate the right talent with the relevant working performance, qualification and experience. The Group believes that in engaging our employees promote cohesion and strengthen the relationship between peers. We continued our endeavours to bring closer ties among the employees which promote understanding between each other in order to create harmony and peace in workplace. At Nexgram, recruitment of dynamic individuals includes from internship, fresh graduates to experienced hires and they are given equal opportunities to achieve their full potential.

b) Training and Development

We aspire to grow with our people and we invest in both their work-related and personal development. In general, we continuously monitor our employees and offer training and upskilling opportunities to their areas of work, positions, talents and interests. We provide both external trainings particularly in technical and management skills. Our established appraisal guidelines also enable us to identify and implement development programmes for our employees.

c) Community Contributions and Development

We believe delivering sustainable growth is a social obligation that not only for the Group, but for the people and the surrounding communities. Kindly refer to Management Discussion and Analysis at page 15 on CSR. As our business will continue to strive in future, we will continue our effort to be a responsible corporate citizen and will create corporate culture that will inculcate responsible and caring mentality across the Group and to transform corporate giving efforts into strategies for community development and improvement.

d) Workforce Diversity

The Group does not discriminate any of its employees/ potential employees in terms of age, gender, physical disability or religion where the evaluation of the suitability of candidates for filling of casual vacancy is solely based in the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

(ii) Occupational Health and Safety

We believe that providing employees with a safe and healthy working environment is essential for ensuring long term business sustainability. We have complied the best of our ability to adhere to the existing standards, laws and regulations which relevant to the operation. The Group is continuously making improvements to our safety-related efforts to achieve an injury-free and safe workplace.

Our Response to Covid-19

During the year 2020, Covid-19 Pandemic which continues to affect Malaysia, the Group have taken all the necessary precautions and have implemented new office policies guided through the guidelines set by the Malaysian authorities and Health Ministry. The safety and wellbeing of the staff is paramount and the Group is making every effort to protect against the spread and minimize the risk to the employees.

CONCLUSION

We acknowledge that there are still areas for improvement with respect to our sustainability initiatives and targets. This year has been very challenging to all businesses and corporations following emergence of the Covid-19 Pandemic. We continue to achieve our goal of building a sustainable business for the future while establishing our strategies to mitigate and recover from the effects of the pandemic. We will continue to keep abreast with developments in our operating environment, actively engage our stakeholders and build on our foundation to further promote sustainable practices/initiatives within our organisation.



FINANCIAL STATEMENTS

- 37** Directors' Report
- 43** Statement by Directors
- 43** Statutory Declaration
- 44** Independent Auditors' Report
- 52** Statements of Financial Position
- 54** Statements of Profit or Loss and Other Comprehensive Income
- 56** Consolidated Statements of Changes in Equity
- 59** Statements of Cash Flows
- 62** Notes to the Financial Statements

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, and provision of corporate and management services to the Group.

The information of the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiaries is as disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	(8,797,364)	(4,596,813)
Attributable to:		
Owners of the Company	(5,331,409)	(4,596,813)
Non-controlling interests	(3,465,955)	-
	(8,797,364)	(4,596,813)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provision during the financial year except as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared since the end of the previous financial year. The directors do not recommend that a dividend to be paid in respect of the current financial year.

SHARES AND DEBENTURES

During the financial year, the Company decreased its share capital from RM206,519,923 to RM90,195,510 through the following:

- conversion of 1,313,779,394 Irredeemable Convertible Preference Share ("ICPS") to 1,313,779,394 new ordinary shares on a basis of one (1) ICPS together with a payment of RM0.02 for every one (1) ordinary shares as disclosed in Note 21(f) to the financial statements.
- reduction on issued share capital pursuant to Section 117 of Companies Act 2016 from RM232,795,510 to RM90,195,510 by RM142,600,000. The Registrar of Companies confirming the reduction of share capital on 23 July 2021. Accordingly, the Share Capital Reduction has been completed on 23 July 2021.

DIRECTORS' REPORT (CONTINUED)

SHARES AND DEBENTURES (CONTINUED)

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with existing ordinary shares.

There were no debentures issued during the financial year.

WARRANTS

WARRANTS A (WARRANTS 2012/2022)

The Company's issuance of new warrants via a Renounceable Rights Issue of 335,382,607 new ordinary shares of RM0.10 each on the basis of one (1) new warrant for every ten (10) ordinary shares subscribed were listed on the Bursa Malaysia Securities Berhad on 23 May 2012.

The salient features and details of the Warrants A were disclosed in Note 21(a) to the financial statements.

The movement of the Warrants A (Warrants 2012/2022) during the financial year is as follows:-

	Number of warrants			
	As at 01.08.2020	Issued	Exercised	As at 31.07.2021
	Units	Units	Units	Units
Warrants A (Warrants 2012/2022)	335,382,607	-	-	335,382,607
	335,382,607	-	-	335,382,607

WARRANTS B (WARRANTS 2013/2023)

The Company's issuance of new warrants via a Renounceable Rights Issue of 159,999,752 new warrants 2013/2023 on the basis of one (1) new warrant for every three (3) existing shares held were listed on the Bursa Malaysia Securities Berhad on 30 July 2013.

The salient features and details of the Warrants B were disclosed in Note 21(a) to the financial statements.

The movement of the Warrants B (Warrants 2013/2023) during the financial year is as follows:-

	Number of warrants			
	As at 01.08.2020	Issued	Exercised	As at 31.07.2021
	Units	Units	Units	Units
Warrants B (Warrants 2013/2023)	159,999,752	-	-	159,999,752
	159,999,752	-	-	159,999,752

DIRECTORS' REPORT (CONTINUED)

WARRANTS (CONTINUED)

WARRANTS C (WARRANTS 2014/2024)

The Company's issuance of new warrants via a Renounceable Rights Issue of 281,684,356 new ordinary shares of RM0.10 each on the basis of one (1) new warrant plus three (3) right issue for every one (1) ordinary shares were listed on the Bursa Malaysia Securities Berhad on 22 January 2014.

The salient features and details of the Warrants C were disclosed in Note 21(a) to the financial statements.

The movement of the Warrants C (Warrants 2014/2024) during the financial year is as follows:-

	Number of warrants			
	As at 01.08.2020	Issued	Exercised	As at 31.07.2021
	Units	Units	Units	Units
Warrants C (Warrants 2014/2024)	281,684,356	-	-	281,684,356
	281,684,356	-	-	281,684,356

OPTIONS GRANTED OVER UNISSUED SHARES

No option were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The names of the directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Sri Rusli Bin Ahmad
 Dato' Yek Siew Lee, Roman
 Hj Mazru Mat Yusof
 Ong Tian Soon
 Zaharin Bin Ahmad Zamani
 Fu Lit Fung

The names of the directors of the subsidiaries of the Company during the financial year until the date of this report, not including those directors listed above are:

Ang Chin Poo
 Aw Mun Kong
 Mohd Hisham Bin Mohd Yusof
 Nor Firdaus Bin Ahmad
 Nor Halim Ahmad
 Ow Mee Eng
 Razman Bin Mohamed
 Syed Baba Bin Mohd Gous
 Teng Ee Beng
 Tey Por Yoong
 Wong Kin Chong
 Yeoh Seng Tee

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

The names of the directors of the subsidiaries of the Company during the financial year until the date of this report, not including those directors listed above are: (Continued)

Adrian Lim Chin Jooi	(Subsidiary disposed on 30 July 2021)
Datin Khoo Phaik Ee	(Subsidiary disposed on 30 July 2021)
Dato' Lim Theng Hooi	(Subsidiary disposed on 30 July 2021)
Devi Erna Rachmawati	(Subsidiary disposed on 30 July 2021)
Joyce Lim Yen Chuang	(Subsidiary disposed on 30 July 2021)
Nur Rizqonah	(Subsidiary disposed on 30 July 2021)
Ong Chong Joo	(Subsidiary disposed on 30 July 2021)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares and ICPS of the Company during the financial year were as follows:

Shareholdings in the name of directors	Number of ordinary shares			As at 31.07.2021
	As at 01.08.2020	Acquired	Sold	
Direct interest				
Dato' Sri Rusli Bin Ahmad	-	1,200,000	-	1,200,000
Dato' Yek Siew Lee, Roman	53,928,900	1,235,000	-	55,163,900
Hj Mazru Mat Yusof	-	269,400,000	-	269,400,000
Indirect interest				
Dato' Sri Rusli Bin Ahmad*	3,845,000	-	-	3,845,000

ICPS holdings in the name of directors	Number of Irredeemable Convertible Preference Shares ("ICPS")			As at 31.07.2021
	As at 01.08.2020	Acquired	Converted	
Direct interest				
Hj Mazru Mat Yusof	1,011,087,071	-	(269,400,000)	741,687,071

* Deemed interested through immediate family members' shareholding in the Company.

By virtue of their interests in the shares of the Company, all the above Directors are also deemed to have interests in the shares of the subsidiary companies to the extent the directors have their interests.

Other than disclosed above, none of the other directors in office at the end of the financial year have any interest in the shares of the Company during the financial year.

DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 31 to the financial statements.

The details of the other benefits otherwise than in cash received or receivable from the Group and the Company by the directors of the Group and of the Company during the financial year are disclosed in Note 31 to the financial statements.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors of the Group and of the Company during the financial year.

DIRECTORS' REPORT (CONTINUED)

INDEMNITY AND INSURANCE COSTS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 31 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent to any substantial extent in respect of the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The significant events during and subsequent to the financial year are disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 30 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 November 2021.

DATO' YEK SIEW LEE, ROMAN

Director

HJ MAZRU MAT YUSOF

Director

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **DATO' YEK SIEW LEE, ROMAN** and **HJ MAZRU MAT YUSOF**, being two of the directors of **NEXGRAM HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 52 to 167 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 November 2021.

DATO' YEK SIEW LEE, ROMAN

Director

HJ MAZRU MAT YUSOF

Director

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **HJ MAZRU MAT YUSOF**, being the director primarily responsible for the accounting records and financial management of **NEXGRAM HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 52 to 167 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
 HJ MAZRU MAT YUSOF)
 at Puchong in the state of Selangor Darul Ehsan)
 on 30 November 2021)

HJ MAZRU MAT YUSOF

Before me,

IVAN TAN KAI YONG
 Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NEXGRAM HOLDINGS BERHAD, which comprise the statements of financial position as at 31 July 2021 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 167.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis of Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Emphasis of Matters

We draw attention to Note 9 and 15 of the financial statements, which the Group has disposed its subsidiary company, namely Arita Holdings Sdn Bhd ("AHSB") for a consideration of RM19,500,000. This amount is included in other receivables of the Group as at 31 July 2021. The directors are of the opinion that this receivable is fully recoverable as the receivable has met the repayment obligations subsequent to the financial year end up to date of reporting. As at the date of reporting, the other receivable has made a total payment of RM2,000,000 pursuant to the payment schedule. Thus, no impairment on this receivable is required to be recognised in the financial statements. Our opinion is not modified in respect of this matter.

We draw attention to Note 40(a) of the financial statements, which the Group has a contingent legal claim of RM12,500,000 as at the financial year end. The directors are of the opinion that the Group has fair chance of success in defending against the Plaintiff's claim and establishing its counterclaim against Plaintiff and therefore no provision of litigation claim has been provided after taking into the consideration of legal opinion. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matters	How the matter was addressed in the audit
<p>(a) Impairment assessment of goodwill</p> <p>Refer to Note 3.3, 4.2.5 and 10 to the financial statements.</p> <p>As at 31 July 2021, the net carrying amount of goodwill of the Group amounted to RM33,730,734, which represented for approximately 21% of the Group's total assets.</p> <p>We focused on this area and considered impairment on goodwill as key audit matter as the determination of recoverable amounts of cash-generating-units ("CGUs") based on value-in-use calculations by management involved a significant degree of judgements and assumptions.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> i. evaluated the appropriateness of the Group's judgements regarding identification of CGUs for impairment assessment; ii. assessed the appropriateness and reasonableness of cash flows forecast and projections by comparison to future outlook, reviewing business plans and through discussion with management; iii. performed a site visit to one of the major business projects to be carried out by the CGU; iv. assessed the management's determination of the discount rate by evaluating the appropriateness of the models used and the reasonableness of the inputs thereon; v. performed sensitivity analysis to assess the impact on the recoverable amount of the CGUs; and vi. reviewed the adequacy of disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matters	How the matter was addressed in the audit
<p>(b) Expected credit loss on trade receivables</p> <p>Refer to Note 3.11, 4.2.4 and 14 to the financial statements.</p> <p>Trade receivables of the Group amounting to RM10,488,353 are significant to the Group as these represent approximately 6% of the total assets.</p> <p>The key associated risk is the recoverability of the invoiced trade receivables as the recoverability of these receivables required management judgement in determining the adequacy of the impairment loss associated with each individual trade receivable.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> i. circularisation of receivables for confirmation of balances; ii. reviewed ageing of trade receivables and checked for adequacy of allowance for impairment; iii. evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; iv. assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period and recoverability of outstanding receivables; v. assessed the reasonableness of the Group's expected credit loss ("ECL") model by reviewing the probability of default using historical data and forward-looking information adjustment applied by the Group; vi. identified any loss events subsequent to the end of reporting period for indications of increase in credit risk; vii. made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and viii. evaluated the adequacy of the Group's disclosure for trade and other receivables and amount due from subsidiary companies.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matters	How the matter was addressed in the audit
<p>(c) Expected credit loss on other receivables</p> <p>Refer to Note 3.11, 4.2.4 and 15 to the financial statements.</p> <p>Other receivables of the Group amounting to RM39,355,581 are significant to the Group as these represent approximately 24% of the total assets.</p> <p>Included in other receivables of the Group is an amount of RM20,000,000 in relation to the consideration receivables from disposal of two subsidiary companies as disclosed in Note 9.</p> <p>The key associated risk is the recoverability of the other receivables as the recoverability of these receivables required management judgement in determining the adequacy of the impairment loss associated with each individual receivable.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> i. circularisation of receivables for confirmation of balances; ii. performed a site visit to one of the major receivable, reviewed agreement with major receivables and confirmed the identity and existence of the receivable; iii. evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; iv. assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period as per the payment schedule if any and recoverability of outstanding receivables; v. sighted the posted dated cheques and reviewed confirmation from lawyer as stakeholder for the post dated cheques; vi. assessed the reasonableness of the Group's expected credit loss ("ECL") model by reviewing the probability of default using historical data and forward-looking information adjustment applied by the Group; vii. identified any loss events subsequent to the end of reporting period for indications of increase in credit risk; viii. made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and ix. evaluated the adequacy of the Group's disclosure for trade and other receivables and amount due from subsidiary companies.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matters	How the matter was addressed in the audit
<p>(d) Expected credit loss on amount due from subsidiary companies</p> <p>Refer to Note 3.11, 4.2.4 and 17 to the financial statements.</p> <p>Amount due from subsidiary companies of the Company amounting to RM25,293,891 are significant to the Company as these represent approximately 24% of the total assets.</p> <p>The key associated risk is the recoverability of the amount due from subsidiary companies as the recoverability of these receivables required management judgement in determining the adequacy of the impairment loss associated with each individual receivable.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> i. circularisation of receivables for confirmation of balances; ii. evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; iii. assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period as per the payment schedule if any and recoverability of outstanding receivables; iv. assessed the reasonableness of the Company's expected credit loss ("ECL") model by reviewing the probability of default using historical data and forward-looking information adjustment applied by the Company; v. identified any loss events subsequent to the end of reporting period for indications of increase in credit risk; vi. made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and vii. evaluated the adequacy of the Company's disclosure for amount due from subsidiary companies.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matters	How the matter was addressed in the audit
<p>(e) Contingent liabilities relating to legal matters</p> <p>Refer to Note 3.18, 4.2.10 and 40 to the financial statements.</p> <p>There is contingent liabilities of the Company amounting to RM12,500,000 that is significant to the Group as these represent approximately 30% of the total liabilities.</p> <p>The key associated risk is judgement is required to assess the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of any financial settlement. The inherent uncertainty of such matters means that actual losses may materially differ from estimates.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> i. reviewed and understand the legal case based on the documentation provided; ii. made inquiries of management regarding the legal matters to assess the appropriateness of the disclosure of legal matters; iii. circularisation of solicitor for confirmation of status and opinion on the legal cases; iv. reviewed legal opinion letter received from the lawyer; and v. evaluated the adequacy of the Group's disclosure for the contingent liabilities.

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of the Company as at 31 July 2020, were audited by another firm of auditors whose report dated 20 November 2020, expressed an unmodified opinion on those statements.

CAS MALAYSIA PLT

[No. (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

CHEN VOON HANN

[No. 02453/07/2023(J)]
Chartered Accountant

Date: 30 November 2021

Puchong

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2021

Note	Group		Company	
	2021 RM	2020 RM Restated	2021 RM	2020 RM
NON-CURRENT ASSETS				
Property, plant and equipment	5	2,537,000	2,291,296	-
Right-of-use assets	6	9,286,807	7,775,229	-
Intangible assets	7	52,897	-	-
Investment properties	8	7,500,000	6,400,000	-
Investment in subsidiary companies	9	-	-	71,664,001 73,879,341
Goodwill on consolidation	10	33,730,734	33,730,734	-
Investment in an associate	11	1,400,683	1,135,289	-
Other investments	12	7,349,678	6,240,624	-
Inventories	13	22,614,225	22,614,225	-
		84,472,024	80,187,397	71,664,001 73,879,341
CURRENT ASSETS				
Inventories	13	4,019,236	3,548,417	-
Trade receivables	14	10,488,353	6,927,250	-
Other receivables	15	39,355,581	18,115,168	4,327,818 4,358,134
Tax recoverable		251,013	233,816	-
Amount due from an associate	16	-	359,272	-
Amount due from subsidiary companies	17	-	-	25,293,891 13,825,618
Fixed deposits placed with licensed banks	18	15,586,757	13,468,811	-
Cash and bank balances	19	8,083,742	8,701,948	3,069,099 3,470,153
		77,784,682	51,354,682	32,690,808 21,653,905
TOTAL ASSETS		162,256,706	131,542,079	104,354,809 95,533,246
EQUITY AND LIABILITIES				
EQUITY				
Share capital	20	90,195,510	206,519,923	90,195,510 206,519,923
Reserves	21	26,668,521	22,121,264	13,453,266 26,591,060
Accumulated losses	22	(2,897,861)	(139,693,487)	(4,666,483) (142,669,670)
Total equity attributable to owners of the Company		113,984,170	88,947,700	98,982,293 90,441,313
Non-controlling interest	9	6,790,032	6,768,058	-
TOTAL EQUITY		120,774,202	95,715,758	98,982,293 90,441,313

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2021 (CONTINUED)

Note	2021 RM	Group 2020 RM Restated	Company	
			2021 RM	2020 RM
NON-CURRENT LIABILITIES				
Lease liabilities	6	873,062	338,747	-
Loan and borrowings	23	10,446,047	9,929,688	-
Deferred taxation	24	1,095,196	631,869	-
		12,414,305	10,900,304	-
CURRENT LIABILITIES				
Trade payables	25	8,433,760	9,328,090	-
Other payables	26	8,906,350	10,178,946	4,258,556 3,717,686
Amount due to subsidiary companies	17	-	-	480,757 903,467
Amount due to directors	27	2,962,004	2,487,463	633,203 470,780
Loan and borrowings	23	8,138,102	2,649,713	-
Lease liabilities	6	362,680	135,635	-
Provision for taxation		265,303	146,170	-
		29,068,199	24,926,017	5,372,516 5,091,933
TOTAL LIABILITIES		41,482,504	35,826,321	5,372,516 5,091,933
TOTAL EQUITY AND LIABILITIES		162,256,706	131,542,079	104,354,809 95,533,246

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

	Note	2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue	28	73,324,157	41,142,176	600,000	600,000
Cost of sales		(72,644,090)	(30,171,003)	-	-
GROSS PROFIT		680,067	10,971,173	600,000	600,000
Other income		12,383,072	1,625,402	659,953	4,692
Administrative and other expenses		(12,604,992)	(72,795,583)	(5,856,766)	(50,660,193)
Marketing and distribution expenses		(2,294,891)	(82,282)	-	-
Other operating expenses		(2,479,624)	(1,095,186)	-	-
LOSS FROM OPERATIONS		(4,316,368)	(61,376,476)	(4,596,813)	(50,055,501)
Share of an associate results	11	265,394	211,836	-	-
Finance costs	29	(3,896,181)	(2,155,616)	-	-
LOSS BEFORE TAXATION	30	(7,947,155)	(63,320,256)	(4,596,813)	(50,055,501)
Taxation	32	(850,209)	466,721	-	485,000
LOSS AFTER TAXATION		(8,797,364)	(62,853,535)	(4,596,813)	(49,570,501)
Other comprehensive income for the financial year, net of tax:					
Item that will not be reclassified to profit or loss:					
Gain on revaluation of properties		677,742	-	-	-
Gain/(Loss) on fair value changes of equity investment	12	1,979,685	(2,920,990)	-	-
		2,657,427	(2,920,990)	-	-
Item that will not be reclassified to profit or loss:					
Foreign currency translation		388,211	426,036	-	-
Total other comprehensive income/(expenses)		3,045,638	(2,494,954)	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR		(5,751,726)	(65,348,489)	(4,596,813)	(49,570,501)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS**OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 (CONTINUED)

Note	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
LOSS AFTER TAXATION ATTRIBUTABLE TO:				
Owners of the company	(5,331,409)	(61,891,388)	(4,596,813)	(49,570,501)
Non-controlling interest	(3,465,955)	(962,147)	-	-
	(8,797,364)	(62,853,535)	(4,596,813)	(49,570,501)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:				
Owners of the company	(2,491,173)	(64,386,342)	(4,596,813)	(49,570,501)
Non-controlling interest	(3,260,553)	(962,147)	-	-
	(5,751,726)	(65,348,489)	(4,596,813)	(49,570,501)
Basic loss per share attributable to owners of the company (sen)	33	(0.19)	(2.97)	
Diluted loss per share attributable to owners of the company (sen)	33	(0.19)	(2.97)	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Group	Note	Attributable to owners of the Company						Non-controlling interest						Total equity RM
		Share capital RM	Warrants reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Translation reserve RM	Redeemable convertible preference shares RM	Redeemable convertible preference shares RM	Accumulated losses RM	Total RM	Non-controlling interest RM		
Balance as at 1 August 2020, as previously stated	206,519,923	6,281,395	(3,944,998)	558,701	(245,000)	(4,315,179)	20,554,665	2,040,000	(138,228,210)	89,221,297	6,768,058	95,989,355	(273,597)	
Reclassification	-	-	-	1,191,680	-	-	-	-	(1,465,277)	(273,597)	-	-	-	
Balance as at 1 August 2020, as restated	206,519,923	6,281,395	(3,944,998)	1,750,381	(245,000)	(4,315,179)	20,554,665	2,040,000	(139,693,487)	88,947,700	6,768,058	95,715,758		
Total comprehensive expenses for the financial year:-														
Loss for the financial year	-	-	-	-	-	-	-	-	-	(5,331,409)	(5,331,409)	(3,465,955)	(8,797,364)	
Other comprehensive income/ (expense) for the financial year	-	-	1,979,685	474,419	-	386,132	-	-	-	-	2,840,236	205,402	3,045,638	
Total comprehensive income/(expense)	-	-	1,979,685	474,419	-	386,132	-	-	-	(5,331,409)	(2,491,173)	(3,260,553)	(5,751,726)	
Transaction with owners:														
Issuance of RCPS	-	-	-	-	-	-	-	19,500,000	-	19,500,000	-	19,500,000	-	
Redemption of RCPS	-	-	-	-	-	-	-	(5,110,150)	-	(5,110,150)	-	(5,110,150)	-	
Conversion of ICPS	-	-	-	-	-	-	-	(13,137,794)	-	13,137,793	-	13,137,793	-	
Capital reduction	(26,275,587)	-	-	-	-	-	-	-	142,600,000	-	-	-	-	
Disposal of investment in OCI	(142,600,000)	-	-	520,913	-	-	-	-	(520,913)	-	-	-	-	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	(2,771,565)	(2,771,565)	-	
Disposal of subsidiary	-	-	-	(65,948)	-	-	-	-	-	-	6,054,092	6,054,092	-	
Realisation of revaluation	-	-	-	-	-	-	-	-	65,948	-	-	-	-	
Total transactions with owners	(116,324,413)	-	520,913	(65,948)	-	-	(13,137,794)	14,389,850	142,145,035	27,527,643	3,282,527	30,810,170		
Balance as at 31 July 2021	90,195,510	6,281,395	(1,444,400)	2,158,852	(245,000)	(3,929,047)	7,416,871	16,429,850	(2,879,861)	113,984,170	6,790,032	120,774,202		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**CONSOLIDATED
STATEMENTS OF CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 (CONTINUED)

Group	Note	Attributable to owners of the Company						Distributable			
		Share capital RM	Warrants reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Translation reserve RM	Redeemable convertible preference shares RM	Redeemable convertible preference shares RM	Accumulated losses RM	Non- controlling interest RM
Balance as at 1 August 2019	200,719,923	6,281,395	(1,024,008)	583,543	(245,000)	(4,741,215)				(76,360,757)	125,213,881
Adjustment on initial application of MFRS 16, net of tax	-	-	-	-	-	-				(907)	(907)
Balance as at 1 August 2019, restated	200,719,923	6,281,395	(1,024,008)	583,543	(245,000)	(4,741,215)				(76,361,664)	125,212,974
Total comprehensive expenses for the financial year:-											
Loss for the financial year	-	-	-	-	-	-				(61,891,388)	(61,891,388)
Other comprehensive (expense)/ income for the financial year	-	-	(2,920,990)	-	-	426,036				-	(2,494,954)
Total comprehensive (expense)/income for the financial year	-	-	(2,920,990)	-	-	426,036				(61,891,388)	(64,386,342)
Transaction with owners:											
Issuance of ICPS	-	-	-	-	-	-	23,454,665	-	-	23,454,665	-23,454,665
Conversion of ICPS	-	-	-	-	-	-	(2,900,000)	-	-	2,900,000	-2,900,000
Issuance of RCPS	-	-	-	-	-	-	-	2,040,000	-	2,040,000	-2,040,000
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	173,377	173,377
Reclassification	-	-	-	1,191,680	-	-	-	(1,465,277)	(273,597)	-	(273,597)
Realisation of revaluation	-	-	-	(24,842)	-	-	-	-	24,842	-	-
Total transactions with owners	5,800,000	-	-	(1,166,838)	-	-	20,554,665	2,040,000	(1,440,435)	28,121,068	173,377 28,294,445
Balance as at 31 July 2020, as restated	206,519,923	6,281,395	(3,944,998)	1,750,381	(245,000)	(4,315,179)	20,554,665	2,040,000	(139,693,487)	88,947,700	6,768,058 95,715,758

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**CONSOLIDATED
STATEMENTS OF CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 (CONTINUED)

Company	Attributable to Owners of the Company						Total RM	
	Non-distributable							
	Share capital RM	Warrants reserve RM	Treasury shares RM	Irredeemable convertible preference shares RM	Accumulated losses RM			
Balance as at 1 August 2020	206,519,923	6,281,395	(245,000)	20,554,665	(142,669,670)	90,441,313		
Total comprehensive expenses for the financial year	-	-	-	-	(4,596,813)	(4,596,813)		
Transaction with owners:								
- Capital reduction	(142,600,000)	-	-	-	142,600,000	-		
- Conversion of ICPS	26,275,587	-	-	(13,137,794)	-	13,137,793		
	(116,324,413)	-	-	(13,137,794)	142,600,000	13,137,793		
Balance as at 31 July 2021	90,195,510	6,281,395	(245,000)	7,416,871	(4,666,483)	98,982,293		
Balance as at 1 August 2019	200,719,923	6,281,395	(245,000)	-	(93,099,169)	113,657,149		
Total comprehensive expenses for the financial year	-	-	-	-	-	(49,570,501)	(49,570,501)	
Transaction with owners:								
- Issuance of ICPS	-	-	-	23,454,665	-	23,454,665		
- Conversion of ICPS	5,800,000	-	-	(2,900,000)	-	2,900,000		
	5,800,000	-	-	20,554,665	-	26,354,665		
Balance as at 31 July 2020	206,519,923	6,281,395	(245,000)	20,554,665	(142,669,670)	90,441,313		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Note	2021 RM	Group	Company	
			2020 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(7,947,155)	(63,320,256)	(4,596,813)	(50,055,501)
Adjustments for:				
Amortisation of intangible assets	7	2,603	-	-
Depreciation of property, plant and equipment	5	2,196,761	622,540	-
Depreciation of right-of-use assets	6	1,318,910	105,745	-
Dividend income	30	(151,446)	(161,174)	-
Fair value gain on investment properties	8	(1,100,000)	-	-
Gain on disposal of property, plant and equipment	30	(96,090)	(77,403)	-
Gain on disposal of subsidiary companies	9	(6,138,987)	-	-
Gain on disposal of quoted shares	30	(294,881)	-	-
Gain on termination of lease	30	(10,102)	-	-
Impairment losses on:-				
- amount due from subsidiary companies	17	-	-	1,418,581
- goodwill on consolidation	10	-	17,800,000	-
- investment in subsidiaries	9	-	-	2,515,338
- other receivables	15	-	4,119,486	-
- trade receivables	14	71,791	864,353	-
- property, plant and equipment	5	7,735	-	-
Interest expenses	29	3,896,181	2,155,616	-
Interest income	30	(701,236)	(452,401)	(11,492)
Loss on disposal of investment property	30	-	12,544,152	-
Provision of slow moving inventories	13	195,880	30,946	-
Reversal of impairment loss on:				
- amount owing by an associate	16	(35,967)	(2,802)	-
- trade receivables	14	(39,403)	-	-
- other receivables	15	(4,332)	-	-
Share of results of an associate	11	(265,394)	(211,836)	-
Unrealised loss/(gain) on foreign exchange	30	9,318	(3,517)	-
Waiver of deposit	30	-	(19,712)	-
Written off of:-				
- Bad debt - other receivables	30	-	194,110	-
- Bad debt - trade receivables	30	9,705	10,793	-
- Deposits	15	47,000	422,235	-
- Inventories - finished goods	13	33,371	248,534	-
- Inventories - land held for property development	13	-	23,988,266	-
- Prepayment	15	-	673,300	-
- Property, plant and equipment	5	29,017	46,607	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 (CONTINUED)

Note	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Operating (loss)/profit before working capital changes	(8,966,721)	(422,418)	(674,386)	2,203,955
Increase in inventories	(971,130)	(1,509,942)	-	-
(Increase)/Decrease in receivables	(20,843,417)	(17,820,114)	30,316	(3,656,014)
(Decrease)/Increase in payables	(3,421,659)	(9,725,418)	540,870	(112,412)
Decrease in amount due from an associate	395,239	430,966	-	-
Increase in amount due from subsidiaries	-	-	(13,309,564)	(10,023,749)
Cash used in operations	(33,807,688)	(29,046,926)	(13,412,764)	(11,588,220)
Interest paid	(3,896,181)	(779,014)	-	-
Income tax refund	-	1,041,163	-	-
Income tax paid	(698,969)	(2,155,616)	-	-
Net cash used in operating activities	(38,402,838)	(30,940,393)	(13,412,764)	(11,588,220)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries, net of cash acquired	9	(1,887,116)	(152,421)	-
Addition of property development costs	13	-	(40,055)	-
Addition of intangible assets	7	(55,500)	-	-
Additional investment in subsidiary company	9	-	-	(299,998)
Net cash from disposal of subsidiary companies	9	13,464,963	-	-
Dividend received	30	151,446	161,174	-
Interest received	30	701,236	452,401	11,492
Placement of fixed deposits more than 3 months and pledged to banks	18	(2,806,739)	(174,526)	-
Proceed from disposal of asset held for sale	-	67,000,000	-	-
Proceeds from disposal of quoted shares	1,164,632	-	-	-
Proceeds from disposal of property, plant and equipment	167,000	169,915	-	-
Purchase of property, plant and equipment	5	(595,519)	(393,150)	-
Net cash generated/(used in) investing activities	10,304,403	67,023,338	(288,506)	4,692

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 (CONTINUED)

Note	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from/(repayment to) directors	474,541	(11,320,192)	162,423	(11,330,052)
Conversion of ICPS	21 13,137,793	5,800,000	13,137,793	5,800,000
Issuance of ICPS	21 -	20,554,665	-	20,554,665
Redemption of RCPS	21 (5,110,150)	-	-	-
Payment of lease liabilities	6 (270,736)	(56,592)	-	-
Repayment of hire purchase payables, net	(579,214)	(347,164)	-	-
Drawdown/(Repayment) of term loans, net	474,818	(46,233,536)	-	-
Drawdown of banker acceptance	18,148,021	-	-	-
Drawdown/(repayment) of trust receipt	55,326	(66,211)	-	-
Net cash generated from/(used in) financing activities	26,330,399	(31,669,030)	13,300,216	15,024,613
Net (decrease)/increase in cash and cash equivalents	(1,768,036)	4,413,915	(401,054)	3,441,085
Effect of foreign exchange rate changes	412,942	3,517	-	-
Cash and cash equivalents as at beginning of the financial year	15,189,258	10,771,826	3,470,153	29,068
Cash and cash equivalents as at end of the financial year	13,834,164	15,189,258	3,069,099	3,470,153
Cash and cash equivalents comprise of:				
Fixed deposits placed with licensed banks	18 15,586,757	13,468,811	-	-
Cash and bank balances	8,083,742	8,701,948	3,069,099	3,470,153
Bank overdrafts	23 (946,406)	(898,311)	-	-
	22,724,093	21,272,448	3,069,099	3,470,153
Fixed deposits pledged to licensed bank	18 (4,068,997)	(2,118,120)	-	-
Fixed deposits with tenure of more than 3 months	18 (4,820,932)	(3,965,070)	-	-
	13,834,164	15,189,258	3,069,099	3,470,153

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at BO2-A-16, Menara 3, KL Eco City, No. 3, Jalan Bangsar, 59200 Kuala Lumpur, Wilayah Persekutuan.

The consolidated financial statements of the Company as at and for the financial year ended 31 July 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial year ended 31 July 2021 do not include other entities.

The Company is principally engaged in investment holding and provision of corporate and management services to the Group. The principal activities of its subsidiary companies are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 November 2021.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company have adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2020:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 16	Leases
Amendments to References to Conceptual Framework in MFRS Standards	

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 16	Leases

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	Agriculture
Amendments to Annual Improvements to MFRS Standards 2018-2020	

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
------------------------------------	---

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The directors do not expect any material impact to the financial statements of the above pronouncements.

2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 July 2021.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

All intercompany balances, income and expenses and unrealised gain or loss transactions between Group and subsidiary companies are eliminated.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other MFRSs.

All of the above will be accounted for from the date when control is lost.

The accounting policies for business combination and goodwill are disclosed in Note 3.3.

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3.2 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Business combination and goodwill

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the “acquired” entity is reflected within equity as merger reserve. The statement of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

All other business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (Continued)

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Depreciation on the property, plant and equipment are calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Furniture and fittings	10% - 20%
Motor vehicles	10% - 20%
Office equipment and signboard	10% - 20%
Renovation	10% - 25%
Computer and software	12% - 40%
Plant and machineries	10%

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.9 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

3.6 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost and subsequently at fair value, representing open market value determined annually by external valuers or assessed by the Directors. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group will use alternative valuation method such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss for the period in which they arise.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on development projects relating to the design and testing of new or improved products or process are recognised as intangible assets if, and only if an entity can demonstrate all of the following:-

- (i) its ability to measure reliably the expenditure attributable to the assets under development;
- (ii) the product or process is technically and commercially feasible;
- (iii) its future economic benefits are probable;
- (iv) its ability to use or sell the developed asset; and
- (v) the availability of adequate technical, financial and other resources to complete the assets under development.

Capitalised development expenditures are measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

Development expenditures are amortised on a straight-line basis over its useful life. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at the end of each reporting period. See accounting policy Note 3.9 on impairment of non-financial assets.

3.8 Intangible assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, but not exceeding 5 years commencing from the period when the intangible assets are available for use.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill, property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements. These also include bank overdrafts that form an integral part of the Group's cash management.

3.11 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Financial assets (Continued)

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

3.11.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, amount due from subsidiaries, amount due from an associate, fixed deposits with licensed bank, and cash and bank balances.

3.11.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met:

- (a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company did not hold any debt instruments at FVOCI in the current and previous financial year.

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company financial assets at FVOCI includes other investments.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Financial assets (Continued)

3.11.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

- (a) the economic characteristics and risks are not closely related to the host;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group and the Company did not hold any financial instruments at FVTPL in the current and previous financial year.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or the rights to receive cash flows from the asset are transferred or all the risk and rewards are transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12 months expected credit loss. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime expected credit losses at each reporting date. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while the 12 months expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(a) Simplified approach for trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of financial assets (Continued)

(a) Simplified approach for trade receivables (Continued)

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements and;
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

Grouping of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

Note 14 set out the measurement details of ECL.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of financial assets (Continued)

(b) General 3-stages approach for other receivables and advances to subsidiaries

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Note 15 and 17 set out the measurement details of ECL.

3.13 Inventories

Raw material, work-in-progress and finished goods

Inventories of finished goods, work-in-progress and raw materials are stated at the lower of cost and net realisable value. The cost of inventories is measured based on first in, first out basis.

The cost of work-in-progress includes cost of raw materials, consumables, direct labour and an appropriate allocation of overhead. The cost of raw materials includes the original purchase price plus costs incurred to bring the inventories to their present locations and conditions.

Net realisable value is estimated based on the most reliable evidence available at the time the estimates are made as to what the inventories are expected to realise upon completion of the cycle.

Property development costs

Cost includes:-

- (i) freehold rights for land;
- (ii) amounts paid to contractors for construction; and
- (iii) borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

Land held for property development

Land held for property development is included under non-current assets where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. It is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land and incidental costs directly attributable to its acquisition.

The land held for property development is reclassified under current assets, when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Contract cost

(i) Incremental cost of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

(ii) Cost to fulfil a contract

The costs incurred in fulfilling a contract with a customer who are not within the scope of other MFRSs, such as MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment and MFRS 138: Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:-

- (a) costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: Accounting Policies, Changes in Accounting Estimate and Errors.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:-

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136: Impairment of Assets to that cash-generating unit with Note 3.9 to the financial statements.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Equity and reserve

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. This reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. The warrants reserve in relation to unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

3.16 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

3.17 Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Redeemable convertible preference shares ("RCPS") are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statement of financial position.

On issuance of the RCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability. The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs.

3.18 Provision of liabilities

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The categories of financial liabilities at an initial recognition are as follows:

3.19.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or
- (c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company did not have financial liabilities at FVTPL in the current and previous financial year.

3.19.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Leases

3.20.1 Leases in which the Group is a lessee

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

(a) Right-Of-Use Assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use asset are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold Land	99 years
Building	2 - 5 years

(b) Lease Liabilities

The Group and the Company recognise lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date. The lease payments include fixed payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, less lease incentives receivable. The lease payments also include the exercise price of purchase option if the Group and the Company are reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Leases (Continued)

3.20.1 Leases in which the Group is a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

(d) Lease term

The lease term includes non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if the Group and the Company are reasonably certain to exercise that option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional two to five years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

3.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Income tax

3.22.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.22.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.23 Revenue recognition and other income

The Group recognises revenue from contracts with customers for goods or services based on the five step model as set out in this standard:-

- (i) Identify contracts with a customer;
- (ii) Identify performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligation in the contract; and
- (v) Recognise revenue when the Company satisfies a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.23 Revenue recognition and other income (Continued)

The Group satisfies a performance obligation and recognises revenue over time if the Group's performance:-

- (i) Do not create an asset with an alternative use to the Group and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based on asset for the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:-

3.23.1 Sale of goods

Revenue from sales of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

3.23.2 Rendering of services

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed or milestones reached.

Revenue from services is recognised at the point in time when the customer acceptance of the services or period of time as per stated in contract with customer which is generally at the time of delivery.

3.23.3 Rental Income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Rental income from sub-leased property is recognised as other income.

3.23.4 Management fees

Management fee is recognised on an accrual basis.

3.23.5 Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24 Employee benefits

3.24.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.24.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

3.25 Foreign currency

3.25.1 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

3.25.2 Foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

3.26 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurred expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are disclosed in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.27 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year end.

3.28 Related parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
 - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the entity; or
 - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

3.29 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.30 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants and Irredeemable and Convertible Preference Shares into ordinary shares.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reporting amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, there were no critical judgements made by management on the amounts recognised in the consolidated financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.2.1 Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within a range of 2.5 to 10 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Group's and the Company's property, plant and equipment at the reporting date is disclosed in Note 5.

4.2.2 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Key sources of estimation uncertainty (Continued)

4.2.3 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

4.2.4 Provision for expected credit losses of trade receivables, other receivables and amount due from subsidiary companies

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables, other receivables and amount due from subsidiary companies is disclosed in Note 14, 15 and 17 respectively.

4.2.5 Impairment of goodwill

The Group and the Company perform an annual assessment of the carrying value of its goodwill against the recoverable amount of the cash-generating units ("CGUs") to which the goodwill have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

4.2.6 Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialist to access fair value for investment properties. Fair value is arrived at using comparison method, cost method or investment method and the key assumptions used to determine the fair value of the properties and sensitivity analysis are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Key sources of estimation uncertainty (Continued)

4.2.7 Property under revaluation

Certain properties of the Group are reported at revalued amounts which are based on valuation performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size, market trends and others. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amount of property measured at revaluation as at reporting date is disclosed in Note 5 and 6 to the financial statements.

4.2.8 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and of the Company are disclosed in Note 24.

4.2.9 Classification between investment properties and owner-occupied properties

The Group determines whether a property qualified as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portion could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portion could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

4.2.10 Contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, arbitration or government regulation. Judgement is required to assess the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of any financial settlement. The inherent uncertainty of such matters means that actual losses may materially differ from estimates.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment and signboard RM	Renovation RM	Computer and software RM	Plant and machineries RM	Total RM
At cost							
Balance as at 1 August 2020	267,290	3,682,844	955,018	147,775	492,207	359,787	5,904,921
Acquisition of subsidiary companies	1,068,470	391,260	-	-	-	26,709,229	28,168,959
Additions	2,900	574,713	27,771	4,050	86,646	374,152	1,070,232
Disposal of subsidiary companies	(1,068,470)	(391,260)	-	-	-	(26,709,805)	(28,169,535)
Disposal	-	(536,042)	-	-	(5,648)	(45,000)	(586,690)
Written off	-	-	(3,980)	(34,050)	-	(3,970)	(42,000)
Exchange differences	-	-	-	-	-	(34,335)	(34,335)
Balance as at 31 July 2021	270,190	3,721,515	978,809	117,775	573,205	650,058	6,311,552
Less: Accumulated depreciation							
Balance as at 1 July 2020	239,702	2,354,050	503,280	97,894	381,024	37,675	3,613,625
Acquisition of subsidiary companies	997,009	132,036	-	-	-	17,369,624	18,498,669
Charge for the financial year	20,336	417,055	122,656	13,282	63,205	1,560,227	2,196,761
Disposal of subsidiary companies	(1,009,185)	(158,666)	-	-	-	(18,840,961)	(20,008,812)
Disposal	-	(498,134)	-	-	(5,646)	(12,000)	(515,780)
Written off	-	-	(3,979)	(6,000)	-	(3,004)	(12,983)
Exchange differences	-	-	-	-	-	(4,663)	(4,663)
Balance as at 31 July 2021	247,862	2,246,341	621,957	105,176	438,583	106,898	3,766,817

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment and signboard RM	Renovation RM	Computer and software RM	Plant and machineries RM	Total RM
2021							
Less: Accumulated impairment loss							
Balance as at 1 August 2020	-	-	-	-	-	-	-
Additions	-	-	7,735	-	-	-	7,735
Balance as at 31 July 2021	-	-	7,735	-	-	-	7,735
Net carrying amounts							
Balance as at 31 July 2021	22,328	1,475,174	349,117	12,599	134,622	543,160	2,537,000

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Leasehold land and buildings RM	Furniture and fittings RM	Motor vehicles RM	Office equipment and signboard RM	Renovation RM	Computer and software machineries RM	Plant and machineries RM	Total RM
2020 (at revaluation)								
At Cost, unless otherwise stated								
Balance as at 1 August 2019, previously stated	3,650,000	285,646	3,407,635	1,009,561	404,383	581,879	181,600	9,520,704
Adjustment on initial application of MFRS 16	(3,650,000)	-	-	-	-	-	-	(3,650,000)
Balance as at 1 August 2019, restated	-	285,646	3,407,635	1,009,561	404,383	581,879	181,600	5,870,704
Additions	-	9,960	415,840	81,007	50,158	73,838	178,187	808,990
Disposals	-	(35,992)	(447,259)	-	-	-	-	(483,251)
Acquisition of a subsidiary company	-	21,988	306,628	13,250	15,381	42,107	-	399,354
Written off	-	(14,312)	-	(148,800)	(322,147)	(205,617)	-	(690,876)
Balance as at 31 July 2020	-	267,290	3,682,844	955,018	147,775	492,207	359,787	5,904,921

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Leasehold land and buildings RM (at revaluation)	Furniture and fittings RM	Motor vehicles RM	Office equipment and signboard RM	Renovation RM	Computer and software RM	Plant and machineries RM	Total RM
Less: Accumulated depreciation								
Balance as at 1 August 2019	-	259,383	2,190,739	495,794	374,204	448,358	16,332	3,784,810
Charge for the financial year	-	9,639	353,098	135,722	22,126	80,612	21,343	622,540
Disposal	-	(30,096)	(360,643)	-	-	-	-	(390,739)
Acquisition of a subsidiary company	-	14,024	170,856	11,064	13,448	31,891	-	241,283
Written off	-	(13,248)	-	(139,300)	(311,884)	(179,837)	-	(644,269)
Balance as at 31 July 2020	-	239,702	2,354,050	503,280	97,894	381,024	37,675	3,613,625
Net carrying amounts								
Balance as at 31 July 2020	-	27,588	1,328,794	451,738	49,881	111,183	322,112	2,291,296

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) The property, plant and equipment of the Group acquired under hire purchase terms are as follows:-

	Group	
	2021 RM	2020 RM
Motor vehicles	1,346,089	1,247,187

The carrying amounts of motor vehicles are pledged to licensed bank to secure the loans and borrowings granted to the Group as disclosed in Note 23 to the financial statements.

(b) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	Group	
	2021 RM	2020 RM
Cost of property, plant and equipment purchased	1,070,232	808,990
Amount financed through hire purchase	(474,713)	(415,840)
Cash disbursed for purchase of property, plant and equipment	595,519	393,150

6. LEASES

(i) Right-of-use assets

The Group as lessee

2021	Leasehold land and building RM (At revaluation)	Office RM	Total RM
At cost, unless otherwise stated			
Balance as at 1 August 2020, as previously stated	3,650,000	547,892	4,197,892
Reclassification	3,700,000	-	3,700,000
Balance as at 1 August 2020, as restated	7,350,000	547,892	7,897,892
Acquisition of a subsidiary company (Note 9)	34,197,976	-	34,197,976
Disposal of a subsidiary company (Note 9)	(34,197,976)	-	(34,197,976)
Addition	-	1,247,248	1,247,248
Disposal	-	(270,027)	(270,027)
Fair value adjustment	800,000	-	800,000
Balance as at 31 July 2021	8,150,000	1,525,113	9,675,113

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. LEASES (CONTINUED)

(i) Right-of-use assets (Continued)

The Group as lessee (Continued)

	Leasehold land and building RM	Office RM	Total RM
Less: Accumulated depreciation			
Balance as at 1 August 2020	40,556	82,107	122,663
Charge for the financial year	1,028,846	290,064	1,318,910
Disposal of subsidiary company	(896,524)	-	(896,524)
Disposal	-	(64,977)	(64,977)
Elimination on accumulated depreciation on revaluation	(91,766)	-	(91,766)
Balance as at 31 July 2021	81,112	307,194	388,306

Net carrying amount

Balance as at 31 July 2021	8,068,888	1,217,919	9,286,807
----------------------------	-----------	-----------	-----------

2020

At cost

Balance as at 1 August 2019, as previously stated	-	-	-
Adjustment on initial application of MFRS 16	3,650,000	91,840	3,741,840
Balance as at 1 August 2019, as restated			
Addition	-	456,052	456,052
Reclassification	3,700,000	-	3,700,000
Balance as at 31 July 2020, as restated	7,350,000	547,892	7,897,892

Less: Accumulated depreciation

Balance as at 1 August 2019, as previously stated	-	-	-
Adjustment on initial application of MFRS 16	-	16,918	16,918
Balance as at 1 August 2019, as restated			
Charge for the financial year	40,556	65,189	105,745
Balance as at 31 July 2020	40,556	82,107	122,663

Net carrying amount

Balance as at 31 July 2020, as restated	7,309,444	465,785	7,775,229
---	-----------	---------	-----------

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. LEASES (CONTINUED)

(i) Right-of-use assets (Continued)

The Group as lessee (Continued)

The Group has entered into non-cancellable operating lease agreement for the use of land and buildings for a period of 90 years with no renewal or purchase option included in the agreement. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

The leasehold land and buildings have been pledged to licensed banks as security for the bank and credit facilities granted to the Group as disclosed in Note 23 to the financial statements.

The leasehold land and buildings have lease terms of 83 years which expiring on 07 July 2103.

The Group leases office that run between one (1) year to four (4) years, with an option to renew the lease after that date.

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term.

Extension options

Some leases of office contain extension options exercisable by the Group up to two (2) years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Revaluation of land and buildings

On 31 July 2021, the entire the leasehold land and building of the Group were revalued by an independent qualified valuer, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Contractor Method of Valuation. A revaluation surplus of RM677,742 (net of deferred taxation) had been recognised as other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. LEASES (CONTINUED)

(ii) Lease liabilities

The Group as lessee

	Office RM	Total RM
2021		
Carrying amount		
Balance as at 1 August 2020	474,382	474,382
New lease entered into during the financial year	1,247,248	1,247,248
Termination of lease during the financial year	(215,152)	(215,152)
Lease payment	(309,160)	(309,160)
Interest expense	38,424	38,424
Balance as at 31 July 2021	1,235,742	1,235,742
2020		
Carrying amount		
Balance as at 1 August 2019	91,840	91,840
New lease entered into during the financial year	456,052	456,052
Lease payment	(81,437)	(81,437)
Interest expense	7,927	7,927
Balance as at 31 July 2020	474,382	474,382
Group		
	2021 RM	2020 RM
Represented by:		
Current liability		
<u>Unsecured</u>		
- Lease liabilities	362,680	135,635
	362,680	135,635
Non-current liability		
<u>Unsecured</u>		
- Lease liabilities	873,062	338,747
	873,062	338,747
Total lease liability		
<u>Unsecured</u>		
- Lease liabilities	1,235,742	474,382
	1,235,742	474,382

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. LEASES (CONTINUED)

(ii) Lease liabilities (Continued)

Rates of interest charged per annum:

	Group	2021	2020
	%	%	
Lease liabilities owing to non-financial institutions		3.71 - 4.07	4.07

	Group	2021	2020
	RM	RM	
Minimum lease payment			
- Not later than one year		402,460	141,156
- Later than one year and not later than five years		913,200	352,535
		1,315,660	493,691
Future finance charges on finance lease		(79,918)	(19,309)
		1,235,742	474,382

Present value of lease is analysed as follows:

	Group	2021	2020
	RM	RM	
Current liability			
- Not later than one year		362,680	135,635
Non-current liability			
- Later than one year and not later than five years		873,062	338,747
		1,235,742	474,382

- (a) The Group has recognised the lease payments associated with short term leases and low value assets on a straight-line basis over the lease terms and recognised as rental expenses as disclosed in Note 30 to the financial statements.
- (b) The following are the amounts recognised in profit or loss:

	Group	2021	2020
	RM	RM	
Depreciation on right-of use assets (included in administrative expenses)		1,318,910	105,745
Interest on lease liabilities (included in finance cost)		38,424	7,927
Expenses relating to lease of low-value assets (included in administrative expenses)		64,745	317,363
Gain on termination of lease		(10,102)	-
		1,411,977	431,035

- (c) At the end of the financial year, the Group had total cash outflow for lease of RM309,160 (2020: RM81,437)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7. INTANGIBLE ASSETS

	Group	
	2021 RM	2020 RM
Development cost		
At cost		
Balance as at beginning of the financial year	-	-
Addition	55,500	-
Balance as at end of the financial year	55,500	-
Less: Accumulated amortisation		
Balance as at beginning of the financial year	-	-
Charge during the financial year	2,603	-
Balance as at end of the financial year	2,603	-
Carrying amount		
Balance as at end of the financial year	52,897	-

8. INVESTMENT PROPERTIES

	Group	
	2021 RM	2020 RM
At fair value:-		
Balance as at beginning of the financial year		
Reclassification (Note 42)	-	(3,700,000)
Changes in fair value	1,100,000	-
	7,500,000	6,400,000

Investment properties of the Group with carrying amount of RM7,500,000 (2020: RM6,400,000) are pledged to financial institution for borrowings granted to the Group as disclosed in Note 23 to the financial statements.

The investment properties consist of the following:-

	Group	
	2021 RM	2020 RM
At fair value:-		
Freehold building		
	7,500,000	6,400,000
	7,500,000	6,400,000

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

8. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in statements of comprehensive income in respect of investment properties:-

	Group	
	2021 RM	2020 RM
Income and expenses recognised in profit or loss:-		
Revenue	408,000	254,000
Direct operating expenses	(75,401)	(55,528)
	332,599	198,472

- (a) Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are recognised in profit or loss.
- (b) External valuers are involved for valuation of significant assets. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the external valuers of the Group, which valuation techniques and inputs to use for each case and compares changes in fair value with relevant external sources to determine whether the change is reasonable. Management also verifies major inputs by agreeing information in the valuation to contracts and other relevant documents.

The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value is determined using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 Fair Value Measurement. Changes in fair value are recognised in profit or loss during the reporting period in which they are reviewed.

- (c) Method of valuation

Comparison/cost method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the property than it would cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

All investment properties valued using the comparison method are categorised as Level 3 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

8. INVESTMENT PROPERTIES (CONTINUED)

(c) Method of valuation (Continued)

Comparison method (Continued)

Description of valuation techniques and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales price of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower)

9. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2021 RM	2020 RM
Unquoted shares, at cost		
Balance as at beginning of the financial year	112,812,771	112,812,771
Additions	299,998	-
Balance as at end of the financial year	113,112,769	112,812,771
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	38,933,430	351,831
Impairment losses recognised during the financial year	2,515,338	38,581,599
Balance as at end of the financial year	41,448,768	38,933,430
Carrying amount		
Balance as at end of the financial year	71,664,001	73,879,341

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The details of subsidiary companies, all of which were incorporated in Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities
	2021	2020		
<u>Direct subsidiaries</u>				
Coconut Three Sdn Bhd#	100%	100%	Malaysia	Property development and property investment
Intra Binaraya Sdn Bhd#	100%	100%	Malaysia	Construction and wholesales of variety of goods without any particular specialisation
Nexgram Development Sdn Bhd#	100%	100%	Malaysia	Construction and property development
Nexgram Minerals Sdn Bhd#	100%	100%	Malaysia	Dormant
Nexgram Industries Sdn Bhd#	100%	100%	Malaysia	Investment holding
Nexgram Plantation Sdn Bhd#	100%	100%	Malaysia	Dormant
Nextnation Datacity Sdn Bhd#	100%	100%	Malaysia	Property development and property investment
Netnovation Sdn Bhd#	100%	100%	Malaysia	Providing computer consultancy, R&D and auxiliary to finance
Nexgram Emerging Capital Limited @*	100%	100%	British Virgin Island	Investment holding
Sensorlink Holdings Sdn Bhd	70%	70%	Malaysia	Investment holding and import and distribution of security and video surveillance equipment
Transeaways Shipping Sdn Bhd	51%	51%	Malaysia	Shipping and logistics services
<u>Indirect subsidiaries</u>				
<u>Held through Sensorlink Holdings Sdn Bhd</u>				
Sensorlink Sdn Bhd	70%	70%	Malaysia	Dealer in all kind of security system and protection equipment
Centrix Security Sdn Bhd^	35.70%	35.70%	Malaysia	Dealer in all kind of security system and protection equipment

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The details of subsidiary companies, all of which were incorporated in Malaysia, are as follows:- (Continued)

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities		
	2021	2020				
<u>Indirect subsidiaries (Continued)</u>						
<u>Held through Nexgram Industries Sdn Bhd</u>						
Nexgram Zhida New Energy Development Sdn Bhd	-	100%	Malaysia	Advertising, manufacture of electric motors, generators and transformers		
Neg Auto Group Sdn Bhd#	100%	-	Malaysia	Automobile consultation, trading, assembly, manufacturing, services, distributing		
Tri-G Technologies Sdn Bhd#	51%	51%	Malaysia	Dealer in medical equipment and related products or services		
Nexgram Biomedic Sdn Bhd	100%	100%	Malaysia	General, drug and vaccine research and development, manufacturing, sales and distribution of pharmaceutical products and medical instruments		
<u>Held through Neg Auto Group Sdn Bhd</u>						
Nexgram Zhida New Energy Development Sdn Bhd	100%	-	Malaysia	Advertising, manufacture of electric motors, generators and transformers		
<u>Held through Nexgram Biomedic Sdn Bhd</u>						
Medical Brand Inc*@	100%	-	British Virgin Island	Investment holding		
NMED Bioscience Sdn Bhd#	100%	-	Malaysia	Investment trading, contract production, distribute medic devices, drug, vaccination distribute medic devices, drug, vaccination		
NMED Industries Sdn Bhd	100%	100%	Malaysia	Investment holding		
Glove Alliances Sdn Bhd#	-	100%	Malaysia	Manufacturer, trading and distribution of glove		
NMED Life Science Sdn Bhd#	100%	-	Malaysia	Investment trading, marketing of medic solution and services		
Medic Data Science Pte Ltd*@	100%	-	Singapore	Retail sales of pharmaceutical and medical goods NEC, research and development on biotechnology, life and medical science		

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The details of subsidiary companies, all of which were incorporated in Malaysia, are as follows:- (Continued)

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities		
	2021	2020				
<u>Indirect subsidiaries (Continued)</u>						
<u>Held through Nexgram Biomedic Sdn Bhd (Continued)</u>						
Medic Asset Group Sdn Bhd#	100%	-	Malaysia	Property investment, development trading and medic asset		
<u>Held through NMED Bioscience Sdn Bhd</u>						
Vaccines Lab Sdn Bhd#	100%	-	Malaysia	Investment trading, marketing of medic device, drug, vaccination solution		
Associate Partners Laboratories Sdn Bhd	100%	-	Malaysia	Provide medical laboratory testing and analysis services, research and development on biotechnology life and medical science, investment holding company		
<u>Held through NMED Industries Sdn Bhd</u>						
Glove Alliances Sdn Bhd#	100%	-	Malaysia	Manufacturer, trading and distribution of glove		
<u>Held through Medic Data Science Ltd</u>						
MDS Data Science (M) Sdn Bhd	100%	-	Malaysia	Investment holding company, research and development on biotechnology life and medical science, manage, monitor and supervise mandatory comprehensive health and medical programme for foreign workers employed		

* Not audited by CAS Malaysia PLT

@ This subsidiary was consolidated based on its unaudited management accounts as at 31 July 2021. The audited financial statements and auditor's report for the financial year was not available as it is not mandatory for British Virgin Islands and Singapore incorporated companies to be audited. However, the financial statements of this subsidiary used for consolidation purposes were reviewed by CAS Malaysia PLT.

The audited financial statements and auditors' report for the financial year ended 31 July 2021 consists of material uncertainty of going concern.

^ In accordance with MFRS 10 "Consolidated Financial Statements", the Company was deemed to have a de-facto control on Centrix Security Sdn Bhd ("Centrix") even though it has less than 50% of effective equity interest in Centrix.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(a) Impairment of investment in subsidiaries

During the financial year, the Company recognised a total impairment loss of RM2,515,338 (2020: RM38,581,599) on its investment in wholly-owned subsidiaries, Nexgram Development Sdn Bhd, Nexgram Minerals Sdn Bhd and Coconut Three Sdn Bhd.

The recoverable amounts are determined based on the value in use calculations using cash flow projections approved by directors covering a five (5) years period. The future cash flows are based on management's five (5) years business plan, which is the best estimate of future performance. The pre-tax discount rate applied to the cash flow projections for the five (5) years period is 8.10% - 8.60% per annum.

The calculation of value in use is most sensitive to the following assumptions:-

(i) Budgeted revenue	Revenue is based on the sale of security and video surveillance equipment and performance of shipping industries.
(ii) Budgeted gross margin	Gross margin is based on average values achieved in prior years preceding the start of the budget period. The anticipated growth rate for gross margin is projected to be minimal.
(iii) Growth rates	Based on industry outlook for that segment and directors past experience.
(iv) Pre-tax discount rate	Discount rate of 8.10% - 8.60% represents the weighted average cost of capital.

The value assigned to the key assumptions represents directors' assessment of future trends in the trading related business and shipping industries and are based on both external sources and internal sources.

Sensitivity to changes in assumptions

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

(b) Non-controlling interest in subsidiaries

The material non-controlling interests of the Group are arising from:-

- (i) Sensorlink Holdings Sdn Bhd and its subsidiaries ("SHSB Group")
- (ii) Transeaways Shipping Sdn Bhd ("TSSB")
- (iii) Tri-G Technologies Sdn Bhd ("TRI-G")

The amount of NCI consolidated statement of financial position, loss allocated to NCI and other comprehensive income allocated to NCI during the financial year are from SHSB Group, TSSB and TRI-G.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) Non-controlling interest in subsidiaries (Continued)

The Group's subsidiary that has material non-controlling interest ("NCI") are as follows:-

Name of company	Ownership interest	
	2021 %	2020 %
SHSB Group	30	30
TSSB	49	49
TRI-G	49	49
Carrying amount of NCI	6,790,032	6,768,058
Loss allocation to NCI	(3,465,955)	(962,147)
Other comprehensive income allocation to NCI	205,402	-

The summary of financial information before intra-group elimination for the SHSB Group, TSSB and TRI-G which have material NCI is as below:-

	2021 RM	2020 RM
SHSB Group		
Summary of financial position		
Non-current assets	18,069,774	16,094,386
Current assets	23,575,864	23,179,510
Non-current liabilities	(4,345,514)	(3,757,034)
Current liabilities	(2,921,866)	(3,817,786)
Net assets	34,378,258	31,699,076
Summary of financial performance		
Net profit for the financial year	2,392,295	1,448,956
Other comprehensive income for the financial year	677,742	-
Total comprehensive income for the financial year	3,070,037	1,448,956
Include in the total comprehensive income is:-		
Revenue	19,884,574	21,164,355
Summary of cash flows		
Cash flows operating activities	1,985,071	812,092
Cash flows investing activities	1,742,182	105,547
Cash flows financing activities	(195,344)	(243,955)
Net changes in cash and cash equivalent	3,531,909	673,684

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) Non-controlling interest in subsidiaries (Continued)

The summary of financial information before intra-group elimination for the SHSB Group, TSSB and TRI-G which have material NCI is as below:- (Continued)

	2021 RM	2020 RM
<u>TSSB</u>		
Summary of financial position		
Non-current assets	835,791	1,121,070
Current assets	639,763	1,919,741
Non-current liabilities	(439,147)	(521,165)
Current liabilities	(8,002,063)	(8,852,859)
Net liabilities	(6,965,656)	(6,333,213)
Summary of financial performance		
Net loss for the financial year, (representing total comprehensive income for the financial year)	(643,363)	(2,713,730)
Include in the total comprehensive income is:-		
Revenue	12,250,862	14,457,254
Summary of cash flows		
Cash flows operating activities	(1,623,466)	(184,819)
Cash flows investing activities	738,253	(12,760)
Cash flows financing activities	77,443	427,864
Net changes in cash and cash equivalent	(807,770)	230,285
<u>TRI-G</u>		
Summary of financial position		
Non-current assets	393,546	348,780
Current assets	10,018,079	3,520,671
Non-current liabilities	(1,103,012)	(678,570)
Current liabilities	(10,449,019)	(2,947,403)
Net (liabilities)/assets	(1,140,406)	243,478
Summary of financial performance		
Net loss for the financial year, (representing total comprehensive income for the financial year)	(1,295,898)	(110,353)
Include in the total comprehensive income is:-		
Revenue	14,913,781	4,052,570

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) Non-controlling interest in subsidiaries (Continued)

The summary of financial information before intra-group elimination for the SHSB Group, TSSB and TRI-G which have material NCI is as below:- (Continued)

	2021 RM	2020 RM
<u>TRI-G (Continued)</u>		
Summary of cash flows		
Cash flows operating activities	(5,381,122)	(2,234,747)
Cash flows investing activities	(422,938)	(26,449)
Cash flows financing activities	5,717,799	2,445,004
Net changes in cash and cash equivalent	(86,261)	183,808

(c) Acquisition of subsidiaries

2021

(A) Acquisition of 70% of interest in PT NDS Glokal Utama and its subsidiary company ("PTNDS")

On 1 October 2020, MBI has acquired 70% equity interest of PTNDS for a total consideration of RM500,000.

PTNDS engaged in the import and export of Antazep, Punchiban, Oil, medical devices, basic food, vermint and etc. as its business core.

(i) Fair value of the identifiable assets acquired and liabilities recognised:-

	RM
Assets	
Property, plant and equipment	5 30,949
Other receivables	743,360
Total assets	774,309
Liability	
Others Payables	(138,340)
Total liability	(138,340)
Total identifiable net assets acquired	635,969
Non-controlling interest at net asset	
Goodwill arising on acquisition	10 54,824
Share capital and pre-acquisition retained earnings	635,969
Fair value of consideration transferred	500,000

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2021 (Continued)

(A) Acquisition of 70% of interest in PT NDS Glokal Utama and its subsidiary company ("PTNDS") (Continued)

(ii) Effect of acquisition on cash flow:-

	RM
Fair value of consideration transferred	500,000
Less: Non-cash consideration	-
Consideration paid in cash	500,000
Less: Cash and cash equivalents of a subsidiary acquired	-
Net cash outflows on acquisition	500,000

(iii) Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:-

	RM
Revenue	14,896
Loss for the financial year	(317,244)

If the acquisition had occurred on 1 August 2020, the consolidated results for the financial year ended 31 July 2021 would have been as follows:-

	RM
Revenue	14,896
Loss for the financial year	(353,818)

(B) Acquisition of 65% equity interest in Arita Holding Sdn Bhd and its subsidiaries ("AHSB")

On 13 October 2020, NMED Industries Sdn Bhd ("NMEDI") has entered into a Share Sales Agreement ("SSA") with AHSB to acquire 65% equity interest in AHSB for a total consideration of RM19,500,000 via issuance of Redeemable Convertible Preference Shares ("RCPS") in NMEDI in the following manner:-

- (i) to acquire 55% of AHSB from Elite Plastic Ventures Sdn Bhd ("Elite") at the consideration of RM16,500,000; and
- (ii) to acquire 10% of AHSB from Datin Khoo Phaik Ee ("Datin Khoo") at the consideration of RM3,000,000.

AHSB and its subsidiaries engaged in manufacturing of plastic, high value added plastic product as its business core.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2021 (Continued)

(B) Acquisition of 65% equity interest in Arita Holding Sdn Bhd and its subsidiaries ("AHSB") (Continued)

(i) Fair value of the identifiable assets acquired and liabilities recognised:-

	Note	RM
Assets		
Property, plant and equipment	5	9,639,341
Right-of-use assets	6	34,197,976
Investment in share		9,920
Goodwill	10	1,448,814
Inventories		4,447,521
Receivables		8,391,848
Tax recoverable		170,934
Cash and bank balances		(1,387,116)
Total assets		56,919,238
Liabilities		
Loans and borrowings		(49,974,546)
Deferred tax liabilities	24	(6,353,355)
Payables		(9,636,437)
Total liabilities		(65,964,338)
Total identifiable net liabilities acquired		(9,045,100)
Non-controlling interest at fair value		2,962,358
Goodwill arising on acquisition	10	25,582,742
Share capital and pre-acquisition retained earnings		(9,045,100)
Fair value of consideration transferred		19,500,000

(ii) Effect of acquisition on cash flow:-

	RM
Fair value of consideration transferred	19,500,000
Less: Non-cash consideration	(19,500,000)
Consideration paid in cash	-
Less: Cash and cash equivalents of a subsidiary acquired	1,387,116
Net cash outflows on acquisition	1,387,116

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2021 (Continued)

(B) Acquisition of 65% equity interest in Arita Holding Sdn Bhd and its subsidiaries ("AHSB") (Continued)

(iii) Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:-

	RM
Revenue	25,227,628
Loss for the financial year	(9,115,097)

If the acquisition had occurred on 1 August 2020, the consolidated results for the financial year ended 31 July 2021 would have been as follows:-

	RM
Revenue	30,273,154
Loss for the financial year	(10,938,116)

2020

(A) Acquisition of 51% equity interest in Tri-G Technologies Sdn Bhd ("TRI-G")

On 28 April 2020, Nexgram Industries Sdn Bhd ("NISB"), a wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("SSA") to acquire 51% equity interest in TRI-G for a total consideration of RM2,040,000 via issuance of Redeemable Convertible Preference Shares in NISB.

Tri-G Technologies Sdn Bhd operates as dealer of medical equipment and related products or services as its core business.

(i) Fair value of the identifiable assets acquired and liabilities recognised:-

	Note	RM
Assets		
Property, plant and equipment	5	158,071
Inventories		83,038
Receivables		1,689,541
Cash and bank balances		5,608
Total assets		1,936,258

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2020 (Continued)

(A) Acquisition of 51% equity interest in Tri-G Technologies Sdn Bhd (“TRI-G”) (Continued)

(i) Fair value of the identifiable assets acquired and liabilities recognised:- (Continued)

	Note	RM
Liabilities		
Loans and borrowings		(770,613)
Bank overdrafts		(158,029)
Deferred tax liabilities	24	(4,356)
Payables		(617,587)
Tax payables		(31,844)
Total liabilities		(1,582,429)
Total identifiable net assets acquired		
		353,830
Non-controlling interest at fair value		(173,377)
Goodwill arising on acquisition	10	1,859,548
Share capital and pre-acquisition retained earnings		353,829
Fair value of consideration transferred		2,040,000

(ii) Effect of acquisition on cash flow:-

	RM
Fair value of consideration transferred	2,040,000
Less: Non-cash consideration	(2,040,000)
Consideration paid in cash	-
Less: Cash and cash equivalents of a subsidiary acquired	(152,421)
Net cash outflows on acquisition	(152,421)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2020 (Continued)

(A) Acquisition of 51% equity interest in Tri-G Technologies Sdn Bhd ("TRI-G") (Continued)

(iii) Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:-

	RM
Revenue	1,170,635
Loss for the financial year	(159,101)

If the acquisition had occurred on 1 August 2019, the consolidated results for the financial year ended 31 July 2020 would have been as follows:-

	RM
Revenue	5,223,205
Loss for the financial year	48,748

(d) Disposal of subsidiaries

2021

(A) Disposal of 65% equity interest in Arita Holding Sdn Bhd and its subsidiaries ("AHSB")

On 30 July 2021, the Company disposed its 65% equity investment in AHSB for a total consideration of RM19,500,000.

(i) Summary of the effects of disposal of AHSB:

	Note	RM
Recognised:		
Cash consideration receivable		19,500,000
Equity and debts instruments		-
 Fair value of consideration receivable		19,500,000
 Derecognised:		
Fair value of identifiable net assets at disposal date		
- Property, plant and equipment	5	8,129,198
- Right-of-use assets	6	33,301,452
- Goodwill	10	27,031,556
- Cash and cash equivalents		6,535,037
- Non-controlling interest		6,152,644
- Deferred tax liabilities	24	(6,294,984)
- Net liabilities		(61,279,715)
 13,575,188		
 Gain on disposal of AHSB		5,924,812

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(d) Disposal of subsidiaries (Continued)

2021 (Continued)

(A) Disposal of 65% equity interest in Arita Holding Sdn Bhd and its subsidiaries ("AHSB") (Continued)

(ii) Effects of disposal on cash flows:

	RM
Fair value of consideration receivable	19,500,000
Less: Non-cash consideration	-
Consideration received in cash	19,500,000
Less: Cash and cash equivalents of subsidiary disposed	(6,535,037)
Net cash inflows on disposal	12,964,963

(B) Disposal of 70% of interest in PT NDS Glokal Utama and its subsidiary company ("PTNDS")

On 30 July 2021, the Company disposed its 70% equity investment in PTNDS for a total consideration of RM500,000.

(i) Summary of the effects of disposal of PTNDS:

	Note	RM
Recognised:		
Cash consideration receivables		500,000
Equity and debts instruments		-
Fair value of consideration receivables		
		500,000
Derecognised:		
Fair value of identifiable net assets at disposal date		
- Property, plant and equipment	5	31,525
- Goodwill	10	54,824
- Non-controlling interest		(98,552)
- Net assets		298,028
		285,825
Gain on disposal of PTNDS		214,175

(ii) Effects of disposal on cash flows:

	RM
Fair value of consideration receivables	500,000
Less: Non-cash consideration	-
Consideration received in cash	500,000
Less: Cash and cash equivalents of subsidiary disposed	-
Net cash inflows on disposal	500,000

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(e) Incorporation of subsidiaries

2021

(i) Incorporation of two wholly-owned subsidiaries, NMED Bioscience Sdn Bhd (“NMEDBS”) and NMED Life Science Sdn Bhd (“NMEDLS”)

On 5 August 2020, Nexgram Biomedic Sdn Bhd (“NBSB”), a wholly-owned sub-subsidiary of the Company incorporated two wholly-owned subsidiaries, NMEDBS and NMEDLS by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest each in NMEDBS and NMEDLS for a total purchase consideration of RM100,000 respectively.

(ii) Incorporation of a wholly-owned subsidiary, Vaccine Lab Sdn Bhd (“VLSB”)

On 7 August 2020, NBSB incorporated a wholly-owned subsidiary, VLSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in VLSB for a total purchase consideration of RM100,000. On 4 September 2020, the shares owned by NBSB have been transferred to NMEDBS.

(iii) Incorporation of a wholly-owned subsidiary, Medical Brands Inc (“MBI”)

On 11 August 2020, NBSB incorporated a wholly-owned subsidiary, Medical Brands Inc (“MBI”) by ways of issuance of unlimited ordinary shares of USD0.0001 each representing 100% equity interest in MBI in British Virgin Island.

(iv) Incorporation of a wholly-owned subsidiary, Medic Asset Group Sdn Bhd (“MAGSB”)

On 12 August 2020, NBSB incorporated a wholly-owned subsidiary, MAGSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in MAGSB for a total purchase consideration of RM100,000.

(v) Incorporation of a wholly-owned subsidiary, NEG Auto Group Sdn Bhd (“NAGSB”)

On 21 September 2020, NISB incorporated a wholly-owned subsidiary, NAGSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in NAGSB for a total purchase consideration of RM100,000.

(vi) Incorporation of a wholly-owned subsidiary, Medic Data Science Pte Ltd (SG) (“MDSPL”)

On 30 September 2020, NBSB incorporated a wholly-owned subsidiary, MDSPL by way of issuance of 1,000 ordinary shares of SGD 0.0001 each, representing 100% equity interest in MDSPL for a total consideration of SGD 0.10.

(vii) Incorporation of a wholly-owned subsidiary, MDS Data Science (M) Sdn Bhd (“MDS”)

On 17 November 2020, NMEDBS incorporated a wholly-owned subsidiary, MDS by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in MDS for a total purchase consideration of RM100,000.

(viii) Incorporation of a wholly-owned subsidiary, Associate Partners Laboratories Sdn Bhd (“AP Lab”)

On 24 November 2020, NMEDBS incorporated a wholly-owned subsidiary, AP Lab by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in AP Lab for a total purchase consideration of RM100,000.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(e) Incorporation of subsidiaries (Continued)

2020

(i) Incorporation of a wholly-owned subsidiary, Nexgram Biomedic Sdn Bhd (“NBSB”)

On 2 June 2020, Nexgram Industries Sdn Bhd (“NISB”), a wholly-owned subsidiary of the Company incorporated a wholly-owned subsidiary, NBSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in NBSB for a total consideration of RM100,000.

(ii) Incorporation of a wholly-owned subsidiary, NMED Industries Sdn Bhd (“NMEDI”)

On 20 July 2020, Nexgram Biomedic Sdn Bhd (“NBSB”), a wholly-owned subsidiary of the Company incorporated a wholly-owned subsidiary, NMEDI by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in NMEDI for a total consideration of RM100,000.

(iii) Incorporation of a wholly-owned subsidiary, Glove Alliance Sdn Bhd (“GASB”)

On 23 July 2020, Nexgram Biomedic Sdn Bhd (“NBSB”), a wholly-owned subsidiary of the Company incorporated a wholly-owned subsidiary, GASB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in GASB for a total consideration of RM100,000.

(f) Transferred of shares among subsidiaries

2021

- (i) On 05 August 2020, NBSB has transferred 100% equity interest in GASB to NMEDI.
- (ii) On 26 August 2020, NBSB has transferred 100% equity interest in VLSB to NMEDBS.
- (iii) On 27 October 2020, NISB has transferred 100% equity interest in Nexgram Zhida New Energy Development Sdn Bhd to NAGSB.
- (iv) On 18 November 2020, NMEDBS has transferred 100% equity interest in MDS to MDSPL.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

10. GOODWILL ON CONSOLIDATION

	Note	2021 RM	Group 2020 RM
At cost			
Balance as at beginning of the financial year		51,530,734	49,671,186
Acquisition of subsidiary companies	9	27,086,380	1,859,548
Disposal of subsidiary companies	9	(27,086,380)	-
Balance as at end of the financial year		51,530,734	51,530,734
Less: Accumulated impairment loss			
Balance as at beginning of the financial year		17,800,000	-
Impairment loss during the year		-	17,800,000
Balance as at end of the financial year		17,800,000	17,800,000
Carrying amount			
Balance as at end of the financial year		33,730,734	33,730,734

Goodwill arising from business combination has been allocated to a cash-generating unit ("CGU") for impairment testing purpose. The carrying amounts of goodwill amounting to RM24,351,922 (2020: RM24,351,922), RM7,519,264 (2020: RM7,519,264) and RM1,859,548 (2020: RM1,859,548) has been allocated to the investment in Transeaways Shipping Sdn Bhd, Sensorlink Holdings Sdn Bhd and Tri-G Technologies Sdn Bhd respectively.

The recoverable amount of the CGUs is determined based on the value in use calculations using cash flow projections on financial budgets approved by directors covering a five (5) years period. The future cash flows are based on management's five (5) years business plan, which is the best estimate of future performance. The pre-tax discount rate applied to the cash flow projections for the five (5) years period is 8.10% - 8.60% per annum.

The calculation of value in use for this CGU is most sensitive to the following assumptions:-

(i) Budgeted revenue

Revenue is based on the sale of security and video surveillance equipment, sale of medical equipment and other related products and performance of shipping industries.

(ii) Budgeted gross margin

Gross margin is based on average values achieved in prior years preceding the start of the budget period. The anticipated growth rate for gross margin is projected to be minimal.

(iii) Growth rates

Based on industry outlook for that segment and directors past experience.

(iv) Pre-tax discount rate

Discount rate of 8.10% - 8.60% represents the weighted average cost of capital of the CGU.

The value assigned to the key assumptions represents directors' assessment of future trends in the trading related business and shipping industries and are based on both external sources and internal sources.

Sensitivity to changes in assumptions

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. INVESTMENT IN AN ASSOCIATE

	Group	
	2021 RM	2020 RM
At cost:-		
Unquoted shares	677,998	677,998
Share of post-acquisition changes in net assets	722,685	457,291
	1,400,683	1,135,289

Details of the associate are as follows:-

Name of associate	Effective equity interest		Country of incorporation and principal place of business	Principal activities
	2021	2020		
<u>Held through Sensorlink Holdings Sdn Bhd</u>				
Sensormax Sdn Bhd	49%	49%	Malaysia	Dealer in all kind of security system and protection equipment

The following table summarises the information of the associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

	Group	
	2021 RM	2020 RM
Summary of financial position		
Non-current assets	571,924	414,103
Current assets	2,816,346	3,732,354
Non-current liabilities	(76,059)	(76,162)
Current liabilities	(453,674)	(1,753,379)
Net assets	2,858,537	2,316,916

Summary of financial performance

Revenue	11,914,316	7,162,406
Cost of sales	(10,137,263)	(5,695,611)
 Gross profit	 1,777,053	 1,466,795
Other income	55,918	164,001
Administrative and other expenses	(1,071,589)	(1,130,894)
Finance costs	(4,235)	(6,274)
 Profit before taxation	 757,147	 493,628
Taxation	(215,527)	(61,309)
 Profit for the financial year	 541,620	 432,319
 Group's share of results of an associate	 265,394	 211,836

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The reconciliation of the above summarised financial information to the carrying amount of the investment in an associate is as follows:-

	Group	
	2021 RM	2020 RM
Net assets	2,858,537	2,316,916
Effective ownership interest	49%	49%
Share of net assets	1,400,683	1,135,289

12. OTHER INVESTMENTS

	Group	
	2021 RM	2020 RM
Non-current assets		
<u>Fair value through other comprehensive income:</u>		
Quoted shares outside Malaysia	7,349,678	6,240,624
	<u>7,349,678</u>	<u>6,240,624</u>

The currency profile of investment in quoted shares is as follows:-

	Group	
	2021 RM	2020 RM
Indonesian Rupiah	7,349,678	6,240,624

- (a) Quoted ordinary shares of the Group are categorised as Level 1 in the fair value hierarchy. Fair value of quoted ordinary shares of the Group are estimated based on unadjusted closing price in active market.
- (b) At 31 July 2021, the Group has recognised RM1,979,685 of fair value gain (2020: RM2,920,990 of fair value loss) to other comprehensive income.
- (c) During the financial year, the Group has disposed off part of the investment in quoted shares and has transferred the RM520,913 of fair value loss previously recognised from fair value reserve to accumulated losses.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. INVENTORIES

(a) Land held for property development

	Group	2021	2020
	RM	RM	RM
At beginning of the year			
Freehold land		22,614,225	22,614,225
Development costs		-	23,948,211
		22,614,225	46,562,436
Addition			
Development costs		-	40,055
Written-off			
Development costs		-	(23,988,266)
At end of the year		22,614,225	22,614,225

Property development costs incurred during the financial year include:-

	Group	2021	2020
	RM	RM	RM
Project management expenses			
		-	40,055
		-	40,055

The freehold land has been pledged to a licensed bank for credit facility granted to a subsidiary as disclosed in Note 23 to the financial statements.

On 31 July 2021, the Group has performed valuation on the freehold land for development by an independent qualified valuer, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The fair value of the freehold land is higher than the cost of the freehold. Therefore, there is no reduction in the cost of land to net realisable value.

(b) Trading inventories

	Group	2021	2020
	RM	RM	RM
At cost			
Finished goods		4,789,551	4,338,015
Less: Provision for slow-moving inventories		(736,944)	(541,064)
Less: Written off		(33,371)	(248,534)
		4,019,236	3,548,417

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. INVENTORIES (CONTINUED)

(b) Trading inventories (continued)

	Group	
	2021 RM	2020 RM
<u>Recognised in profit or loss:</u>		
Inventories recognised as cost of sales	24,679,486	15,354,849
Slow moving and obsolete inventories written down	229,251	279,480

Slow moving and obsolete inventories written down and written back are included in cost of sales.

The reconciliation of inventories' movements in provision for slow-moving inventories of the Group is as follow:-

	Group	
	2021 RM	2020 RM
<u>At beginning of the financial year</u>		
At beginning of the financial year	541,064	510,118
Addition during the financial year	195,880	30,946
<u>At end of the financial year</u>		
At end of the financial year	736,944	541,064

14. TRADE RECEIVABLES

	Group	
	2021 RM	2020 RM
<u>Trade receivables - gross</u>		
Trade receivables - gross	13,391,576	9,798,085
Less: Allowance for impairment losses	(2,903,223)	(2,870,835)
<u>Trade receivables - net</u>		
Trade receivables - net	10,488,353	6,927,250

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'administrative expenses' in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14. TRADE RECEIVABLES (CONTINUED)

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

Group

2021

	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	2,466,437	404,398	2,870,835
Allowance for impairment losses	71,791	-	71,791
Reversal of impairment losses	(39,403)	-	(39,403)
Balance as at end of the financial year	2,498,825	404,398	2,903,223

2020

Balance as at beginning of the financial year	2,138,220	-	2,138,220
Allowance for impairment losses	459,955	404,398	864,353
Written off	(131,738)	-	(131,738)
Balance as at end of the financial year	2,466,437	404,398	2,870,835

Based on the Group's and the Company's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

Group

2021

	Gross carrying amount RM	Allowance for impairment loss		Net balance RM
		ECL Collectively assessed RM	ECL Individually assessed RM	
Neither past due nor impaired	4,221,821	(110,976)	(108,946)	4,001,899
Past due 1 - 30 days	2,424,871	(49,352)	(72,138)	2,303,381
Past due 31 - 60 days	1,064,783	(11,493)	(2,846)	1,050,444
Past due 61 - 90 days	1,642,693	(12,474)	(12,086)	1,618,133
More than 90 days	3,633,010	(6,614)	(2,111,900)	1,514,496
	12,987,178	(190,909)	(2,307,916)	10,488,353

Credit Impaired

Past due more than 90 days	404,398	(404,398)	-	-
	13,391,576	(595,307)	(2,307,916)	10,488,353

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14. TRADE RECEIVABLES (CONTINUED)

The ageing of the receivables and allowance for impairment losses provided for above are as follows (Continued):

Group	2020	Allowance for impairment loss			Net balance RM
		Gross carrying amount RM	ECL Collectively assessed RM	ECL Individually assessed RM	
Neither past due nor impaired	1,481,555	(38,056)		-	1,443,499
Past due 1 - 30 days	2,391,836	(133,609)		-	2,258,227
Past due 31 - 60 days	1,792,752	(11,567)		-	1,781,185
Past due 61 - 90 days	3,037,103	(2,283,205)		-	753,898
	8,703,246	(2,466,437)		-	6,236,809
Credit Impaired					
Past due more than 90 days	1,094,839	(404,398)		-	690,441
	9,798,085	(2,870,835)		-	6,927,250

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit term range from 30 to 90 days (2020: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

15. OTHER RECEIVABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	31,620,380	11,531,869	8,532,579	8,562,895
Less: Allowance for impairment losses	(6,136,098)	(6,676,024)	(4,204,761)	(4,204,761)
Other receivables - net	(a) 25,484,282	4,855,845	4,327,818	4,358,134
Deposits	(b) 13,624,230	13,000,629	-	-
Prepayments	(c) 247,069	258,694	-	-
	39,355,581	18,115,168	4,327,818	4,358,134

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15. OTHER RECEIVABLES (CONTINUED)

(a) Other receivables

Other receivables are unsecured and non-interest bearing. The currency exposure profile of other receivables is entirely in Ringgit Malaysia.

Included in other receivables of the Group and of the Company are amounts of RM3,791,132 (2020: RM3,891,132) in relation to a profit guarantee receivable. As at the 31 July 2021, the Group has obtained a payment schedule from the receivable for settlement. As at the date of report, the Group has collected RM2,050,000 according to the payment schedule.

Included in other receivables of the Group is an amount of total RM20,000,000 in relation to the consideration receivables from disposal of two subsidiary companies as disclosed in Note 9. As at the 31 July 2021, the Group has obtained a payment schedules from the receivables for settlement. As at the date of report, the Group has collected RM2,100,000 according to the payment schedule.

The movement in the allowance for impairment losses of other receivables during the financial year are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Balance as at beginning of the financial year	6,676,024	2,556,538	4,204,761	552,024
Allowance for impairment losses	-	4,119,486	-	3,652,737
Written off	(535,594)	-	-	-
Reversal of impairment losses	(4,332)	-	-	-
Balance as at end of the financial year	6,136,098	6,676,024	4,204,761	4,204,761

(b) Deposits

	Group	
	2021 RM	2020 RM
Deposits	13,671,230	13,422,864
Written off during the financial year	(47,000)	(422,235)
Total	13,624,230	13,000,629

Included in deposits of the Group is an amount of RM12,500,000 (2020: RM12,500,000) in relation to the stakeholder's sum held by Group's solicitor.

(c) Prepayment

	Group	
	2021 RM	2020 RM
Prepayment	247,069	931,994
Written off during the financial year	-	(673,300)
Total	247,069	258,694

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

16. AMOUNT DUE FROM AN ASSOCIATE

	Group		Group
	2021 RM		2020 RM
Trade balances	-	390,163	
Non-trade balances	-	5,076	
Less: Accumulated impairment losses	-	(35,967)	
	-	359,272	

The Group's credit period granted ranged from 30 days to 90 days (2020: 30 days to 90 days). Other credit terms are assessed and approved on a case by case basis.

The amount due from an associate represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of amount due from an associate during the financial year are as follows:

	Group		Group
	2021 RM		2020 RM
Balance as at beginning of the financial year	35,967	38,769	
Reversal of impairment loss during the financial year	(35,967)	(2,802)	
Balance as at end of the financial year	-	35,967	

17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company		Company
	2021 RM		2020 RM
Amount due from subsidiary companies:-			
Non-trade balances	143,613,558	131,375,165	
Less: Accumulated impairment losses	(118,319,667)	(117,549,547)	
	25,293,891	13,825,618	
Amount due to subsidiary companies:-			
Non-trade balances	480,757	903,467	

The amount due from/(to) subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of amount due from subsidiary companies during the financial year are as follows:

	Company		Company
	2021 RM		2020 RM
Balance as at beginning of the financial year	117,549,547	107,519,735	
Impairment losses recognised during the financial year	1,418,581	10,029,812	
Reversal of impairment loss during financial year	(648,461)	-	
Balance as at end of the financial year	118,319,667	117,549,547	

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

18. FIXED DEPOSITS WITH A LICENSED BANK

	Group	
	2021 RM	2020 RM
With maturity of 1 to 3 months	10,765,825	9,503,741
With maturity of more than 3 months	4,820,932	3,965,070
	15,586,757	13,468,811

The effective interest rates of the fixed deposits with licensed banks at the reporting date ranged from 1.00% to 2.56% (2020: 1.25% to 3.36%) per annum.

Included in fixed deposits with licensed banks of the Group there is an amount of RM4,068,997 (2020: RM2,118,120) were pledged with licensed banks as security for banking facilities granted to the Group as disclosed in Note 23 to the financial statements.

19. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash in hand	81,115	19,031	632	632
Cash at bank	8,002,627	8,682,917	3,068,467	3,469,521
	8,083,742	8,701,948	3,069,099	3,470,153

20. SHARE CAPITAL

	Group and Company			
	2021 Number of shares (units)	2020 Number of shares (units)	2021 RM	2020 RM
Issued and fully paid:				
Balance as at the beginning of the financial year	2,361,204,480	2,071,204,480	206,519,923	200,719,923
Conversion of ICPS	1,313,779,394	290,000,000	26,275,587	5,800,000
Reduction in share capital	-	-	(142,600,000)	-
Balance as at the end of the financial year	3,674,983,874	2,361,204,480	90,195,510	206,519,923

During the financial year, the Company decreased its share capital from RM206,519,923 to RM90,195,510 through the following:

- (a) conversion of 1,313,779,394 Irredeemable Convertible Preference Share ("ICPS") to 1,313,779,394 new ordinary shares on a basis of one (1) ICPS together with the payment of RM0.02 for every one (1) ordinary shares as disclosed in Note 21(f) to the financial statements.
- (b) reduction on issued share capital pursuant to Section 117 of Companies Act 2016 from RM232,795,510 to RM90,195,510 by RM142,600,000. The Registrar of Companies confirmed the reduction of share capital on 23 July 2021. Accordingly, the Share Capital Reduction has been completed on 23 July 2021.

In the previous financial year, the issued and paid-up share capital of the Company was increased by RM5,800,000 from RM200,719,923 by way of conversion of ICPS of 290,000,000. The salient terms of the ICPS are disclosed in Note 21(f) to the financial statements.

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with existing ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. RESERVES

Note	Group		Company	
	2021 RM	2020 RM Restated	2021 RM	2020 RM
Non-distributable:				
Warrant reserve	(a)	6,281,395	6,281,395	6,281,395
Fair value reserve	(b)	(1,444,400)	(3,944,998)	-
Revaluation reserve	(c)	2,158,852	1,750,381	-
Treasury share	(d)	(245,000)	(245,000)	(245,000)
Translation reserve	(e)	(3,929,047)	(4,315,179)	-
ICPS	(f)	7,416,871	20,554,665	20,554,665
RCPS	(g)	16,429,850	2,040,000	-
Total reserve		26,668,521	22,121,264	13,453,266
				26,591,060

(a) Warrant reserve

	Issued date	Maturity date	Exercise price RM	Revised exercise price RM	Balance of fair value at 31.07.2021 RM	Balance of fair value at 31.07.2020 RM
Warrants A	17.05.2012	16.05.2022	0.10	0.10	4,378,255	4,378,255
Warrants B	23.07.2013	22.07.2023	0.35	0.26	-	-
Warrants C	16.01.2014	15.01.2024	0.11	0.10	1,903,140	1,903,140
						6,281,395
						6,281,395

Warrants 2012/2022 ("Warrants A") constituted under the deed poll dated 9 May 2012 and the supplemental deed poll dated 23 May 2013 ("Deed Poll A").

Warrants 2013/2023 ("Warrants B") constituted under the deed poll dated 22 July 2013 ("Deed Poll B").

Warrants 2014/2024 ("Warrants C") constituted under the deed poll dated 4 October 2013 ("Deed Poll C").

In financial period 2016, the warrants reserve arising from the allocation of fair value of 211,513,345 Warrants C issued pursuant to the rights issue amounting to RM1,903,620 which had been charged to share premium. The fair value of 120,000,000. Warrants B which issued pursuant to the acquisition of investment properties was valued at zero.

In accordance with the provisions under the Deed Polls and consequential to the bonus issue, exercise prices of Warrants have been revised and number of Warrant have been adjusted.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. RESERVES (CONTINUED)

(a) Warrant reserve (Continued)

The addition of number Warrants arising pursuant to bonus issue, acquisition of investment properties and rights issue had listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad.

	As at 01.08.2020 Units	Number of warrants		As at 31.07.2021 Units
		Issued Units	Exercised Units	
Warrants A	335,382,607	-	-	335,382,607
Warrants B	159,999,752	-	-	159,999,752
Warrants C	281,684,356	-	-	281,684,356

The main features of the warrants are as follows:-

- (i) Each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share of RM0.10 each in the Company at an exercise price as mentioned above.
- (ii) The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.
- (iii) The warrants shall be exercisable at any time within the period commencing on and including the date of issue of the warrants until the last market day prior to the tenth anniversary of the date of issue of the warrants.
- (iv) All new ordinary shares to be issued arising from the exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.
- (v) At the expiry of the exercise period, any warrants which have not been exercised will lapse and cease to be valid for any purpose.

(b) Fair value reserve

Fair value reserve represents the cumulative fair value changes of equity investment financial asset until they are disposed or impaired.

(c) Revaluation reserve

	Group		
	2021 RM	2020 RM	Restated
Balance as at beginning of the financial year	1,750,381	583,543	
Fair value gain on right-of-use asset	474,419	1,191,680	
Realisation of revaluation reserve	(65,948)	(24,842)	
Balance as at end of the financial year	2,158,852	1,750,381	

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. RESERVES (CONTINUED)

(d) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount as stated represents acquisition costs of the treasury shares. At 31 July 2021, the Company held a total of 1,730,000 (2020: 1,730,000) issued and paid-up ordinary shares as treasury shares. The treasury shares are held at a carrying amount of RM245,000. The share purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 in Malaysia and are presented as a deduction of equity.

(e) Translation reserve

The translation reserve represents exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(f) ICPS

On 1 November 2019, the Company made an announcement to undertake a settlement of debt owing to a director, Hj Mazru Mat Yusof ("Tuan Hj Mazru"), as well as selected creditors, Ozura Firstlogix Sdn Bhd ("Ozura") and Capital Day Holdings Sdn Bhd ("Capital Day") in an aggregate sum of RM23,454,665 will be settled through the issuance of 2,345,466,465 ICPS at an issue price of RM0.01 each based on separate settlement agreements on 30 August 2019 ("Settlement Agreements").

Movement of ICPS as below:-

	Group and Company	2021	2020
	RM	RM	RM
Balance as at beginning of the financial year	20,554,665	-	-
Issue during the year	-	23,454,665	23,454,665
Conversion during the year	(13,137,794)	(2,900,000)	(2,900,000)
Balance as at end of the financial year	7,416,871	20,554,665	20,554,665

There was conversion received during the financial year, leaving a total unit of 741,687,071 (2020: 2,055,466,465) ICPS at the end of the financial year.

Salient terms of the ICPS as follow:-

(i) Tenure

Five (5) years commencing from and including the Issue Date of the ICPS.

(ii) Maturity date

The date immediately preceding the fifth (5th) anniversary of the Issue Date of the ICPS.

If the maturity date is not a market day, then it shall fall on the market day immediately preceding market day.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. RESERVES (CONTINUED)

(f) ICPS (Continued)

Salient terms of the ICPS as follow:- (Continued)

(iii) Dividend

The Company shall have the discretion to decide whether to declare any dividend as well as the quantum of such dividend. No dividend shall be payable to the ICPS holders if no dividend is declared to the Company's shareholders for the same financial year.

Dividend if declared shall be a non-cumulative preferential dividend in priority over all ordinary shares of the Company.

The right to receive the non-cumulative preferential dividends, including dividends in arrears, shall cease once the ICPS are converted into New NHB Shares (including where the ICPS are mandatorily or automatically converted in accordance with the terms of the ICPS).

(iv) Conversion rights

The registered ICPS holder shall have the right at any time during the Conversion Period to convert such amount of ICPS held into Company shares ("New NHB Shares") at the Conversion Price by completing the Conversion Notice and delivering the same to the Company together with the share certificates in respect of such ICPS or such other documents or evidence (if any) as the directors may require to prove the title and claim of the person exercising such right. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company.

No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion.

Any outstanding ICPS not converted at the end of the Conversion Period shall be mandatorily and automatically converted into fully paid-up New NHB Shares at the Conversion Ratio (as defined herein) Price on the Maturity Date.

Any fractional New NHB Share (if any) arising from the mandatory conversion of the ICPS on the Maturity Date shall be disregarded and be dealt with by the Board of Directors of the Company, as it may deem fit and expedient in the best interest of the Company.

(v) Conversion Price

The conversion price of each ICPS is RM0.02 based on the Conversion Mode.

(vi) Conversion Period

The ICPS shall be convertible into New NHB Shares on any market day commencing on and including the Issue Date of the ICPS up to and including the Maturity Date.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. RESERVES (CONTINUED)

(f) ICPS (Continued)

Salient terms of the ICPS as follow:- (Continued)

(vii) Conversion Mode

The ICPS may be converted into New NHB Shares in the following manner at the Conversion Price:-

- (a) by surrendering for cancellation two (2) ICPS to be converted into every one (1) New NHB Share (“Conversion Ratio”); or
- (b) by surrendering for cancellation one (1) ICPS to be converted and paying in cash RM0.01 (being the difference between the nominal value of ICPS surrendered and the Conversion Price), for every one (1) New NHB Share,

subject to the Adjustments Clause as provided herein.

(viii) Ranking of New NHB Shares arising from the conversion of the ICPS

The New NHB Shares to be issued upon the conversion of the ICPS shall rank pari passu in all respects with the then existing the Company’s ordinary shares except that such New NHB Shares will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment and issuance of such New NHB Shares.

(g) Redeemable convertible preference shares (“RCPS”)

Movement of RCPS as below:-

	Group	
	2021 RM	2020 RM
Balance as at beginning of the financial year	2,040,000	-
Issue during the financial year	19,500,000	2,040,000
Redemption during the financial year	(5,110,150)	-
 Balance as at end of the financial year	 16,429,850	 2,040,000

There was redemption during the financial year, leaving a total unit of 763,441 (2020: 25,500) RCPS at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. RESERVES (CONTINUED)

(g) Redeemable convertible preference shares (“RCPS”) (Continued)

(A) On 28 April 2020, Nexgram Industries Sdn Bhd (“NISB”) issued 25,500 RCPS at issue price of RM80 per RCPS for the acquisition of subsidiary, Tri-G Technologies Sdn Bhd on the basis of one (1) RCPS for one (1) NISB shares.

Salient terms of the RCPS as follow:-

(i) Tenure

Three (3) years commencing from and inclusive of the Issue Date with option to extend for another period of three (3) years.

(ii) Maturity Date

On maturity date of 3rd anniversary from the Issue Date, unless the tenure of the RCPS is agree to extend by NISB with agreement of the RCPS holders for another three (3) years.

If the Maturity Date is not a market day, then it shall fall on the market day immediately preceding the said non-market day.

(iii) Dividend

This is on zero coupon rate with no declaration of interest or dividend throughout the tenure.

(iv) Conversion Rights

Unless early conversion agreed by NISB, each RCPS may be converted into one (1) new NISB Share at 3rd anniversary of RCPS or if extended at the 6th anniversary of the RCPS shall be automatically converted into new NISB shares.

(v) Conversion Price

Shall be equivalent to the Issue Price and is convertible into one (1) NISB share.

(vi) Conversion Period

The RCPS shall be mandatorily redeemed and converted at the 3rd anniversary of the RCPS or if extended on the 6th anniversary of the RCPS based on the Conversion Mode.

(vii) Conversion Mode

The conversion of RCPS will not require any cash payment by the RCPS holder. The Conversion Price shall be satisfied by surrendering one (1) RCPS for one (1) NISB shares; or one (1) RCPS for four thousand (4,000) Nexgram Holdings Berhad (“NHB”) Share, subject to NHB procuring its shareholders and regulatory approvals, as well as adjustments if any.

(viii) Redemption Price

Based on the net assets of NISB or five (5) days weighted average share prices of NHB, whichever is higher.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. RESERVES (CONTINUED)

(g) Redeemable convertible preference shares (“RCPS”) (Continued)

(A) On 28 April 2020, Nexgram Industries Sdn Bhd (“NISB”) issued 25,500 RCPS at issue price of RM80 per RCPS for the acquisition of subsidiary, Tri-G Technologies Sdn Bhd on the basis of one (1) RCPS for one (1) NISB shares. (Continued)

Salient terms of the RCPS as follow:- (Continued)

(ix) Redemption Mode

The Company shall have the option to redeem the outstanding RCPS, provided that the pledged RCPS first being released to RCPS Holder in the following manners:

- (a) By NISB, in case at the Redemption Price, up to 100% of the total RCPS issued; and/or
- (b) By NISB, by way of issue of fresh shares of NISB, at the Redemption Price, up to 100% of the total RCPS issued; and/or
- (c) By NHB, the Holding Company of NISB (for and on behalf of NISB at the Redemption Price, by issuing new shares in NHB to the RCPS holder, up to 100% of the total RCPS issued, subject to NHB procuring its shareholders and regulatory approvals; and
- (d) The Company shall give the RCPS holders no less than seven (7) days' notice prior to the date of redemption. The RCPS Holders shall be entitled to exercise their Conversion Rights in the event the Company issues a notice of redemption. The RCPS which have been redeemed will be cancelled and cannot be reissued.

(B) On 13 October 2020, NMED Industries Sdn Bhd (“NMEDI”) issued 1,000,000 RCPS at issue price of RM19.50 per RCPS for the acquisition of subsidiary, Arita Holdings Sdn Bhd on the basis of one (1) RCPS for one (1) NMEDI shares.

Salient terms of the RCPS as follow:-

(i) Tenure

Three (3) years commencing from and inclusive of the Issue Date with option to extend for another period of three (3) years

(ii) Maturity Date

On maturity date of third anniversary from the Issue Date, unless the tenure of the RCPS extended by NMEDI with the agreement of the RCPS holders for another three (3) years.

If the Maturity Date is not a working day, then it shall fall on the working day immediately preceding the said non-market day.

(iii) Dividend

Zero coupon rate with no declaration of interest or dividend throughout the tenure.

(iv) Conversion Rights

Unless early conversion NMEDI agrees on, each RCPS may be converted into one (1) new NMEDI Share on the third anniversary of RCPS or if extended, on the 6th anniversary of the RCPS, shall be automatically converted into new NMEDISB shares.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. RESERVES (CONTINUED)

(g) Redeemable convertible preference shares ("RCPS") (Continued)

(B) On 13 October 2020, NMED Industries Sdn Bhd ("NMEDI") issued 1,000,000 RCPS at issue price of RM19.50 per RCPS for the acquisition of subsidiary, Arita Holdings Sdn Bhd on the basis of one (1) RCPS for one (1) NMEDI shares. (Continued)

Salient terms of the RCPS as follow (Continued):-

(v) Conversion Price

Shall be equivalent to the Issue Price and is convertible into one (1) NMEDI share.

(vi) Conversion Period

The RCPS shall be mandatorily redeemed and converted at 3rd anniversary of the RCPS or if extended on the 6th anniversary of the RCPS.

(vii) Conversion Mode

The conversion of RCPS will not require any cash payment by the RCPS holders. The Conversion Price shall be satisfied by surrendering one (1) RCPS for one (1) NMEDI shares.

(viii) Redemption Price

Based on the net assets of NMEDI.

(ix) Redemption Mode

The Company shall have the option to redeem the outstanding RCPS, provided that the pledged RCPS first being released to RCPS Holder by NMEDI, in case at the Redemption Price, up to 100% of the total RCPS issued.

22. ACCUMULATED LOSSES

The Group and the Company reported accumulated losses position as at reporting date.

23. LOAN AND BORROWINGS

	Note	Group 2021 RM	2020 RM
Current			
<u>Secured:-</u>			
Bank overdrafts	(a)	946,406	898,311
Banker's acceptances	(a)	5,531,010	-
Trust receipt	(a)	607,536	552,210
Hire purchase payables	(b)	286,819	345,511
Term loans	(c)	766,331	853,681
		8,138,102	2,649,713
Non-current			
<u>Secured:-</u>			
Hire purchase payables	(b)	868,173	913,982
Term loans	(c)	9,577,874	9,015,706
		10,446,047	9,929,688
Total loans and borrowings		18,584,149	12,579,401

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

23. LOAN AND BORROWINGS (CONTINUED)

Rates of interest charged per annum:

	Group	2021	2020
	%	%	
Bank overdraft	6.81 - 7.59	7.76 - 8.24	
Banker's acceptances	3.61 - 3.71	-	
Trust receipt	6.92 - 8.17	5.35 - 8.42	
Hire purchase payables	2.46 - 5.01	2.53 - 5.76	
Term loan	2.93 - 9.45	3.27 - 10.20	

(a) Bank overdraft, banker acceptance and trust receipt

The bank overdrafts, banker's acceptance and trust receipt are secured by way of:-

- (i) pledged of fixed deposits as disclosed in Note 18;
- (ii) corporate guarantee by the Group; and
- (iii) legal charges over leasehold land and buildings and investment properties of the Group as disclosed in Note 6 and 8.
- (iv) guarantee by the Directors of the Group.

(b) Hire purchase payables

	Group	2021	2020
	RM	RM	
Minimum hire purchase payments:-			
- not later than one year	329,603	390,614	
- later than one year but not later than five years	715,844	877,544	
- later than five years	204,961	100,107	
	1,250,408	1,368,265	
Less: Future finance charges	(95,416)	(108,772)	
	1,154,992	1,259,493	

Analysis of present value of hire purchases payables:-

Current			
- not later than one year		286,819	345,511
Non-current			
- later than one year but not later than five years		779,214	815,137
- later than five years		88,959	98,845
		868,173	913,982
Total hire purchase payables		1,154,992	1,259,493

The hire purchase payables are secured by way of charge over the leased assets as disclosed in Note 5 to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

23. LOAN AND BORROWINGS (CONTINUED)

(c) Term loans

	Group	2021	2020
	RM	RM	RM
Current			
- not later than one year		766,331	853,681
Non-current			
- later than one year but not later than five years		7,125,397	6,253,487
- later than five years		2,452,477	2,762,219
		9,577,874	9,015,706
Total term loan		10,344,205	9,869,387

The term loans are secured by way of the first legal charge over the Group's investment properties and land held for property development as disclosed in Note 6, Note 8 and Note 13 respectively to the financial statements.

24. DEFERRED TAXATION

	Group	2021	2020
	Note	RM	RM
Balance as at beginning of the financial year		631,869	638,892
Recognised in profit or loss (Note 32)		190,932	(284,976)
Recognised in other comprehensive income		214,024	273,597
Acquisition of a subsidiary company	9	6,353,355	4,356
Disposal of a subsidiary company	9	(6,294,984)	-
Balance as at end of the financial year		1,095,196	631,869
Presented after appropriate offsetting as follows:-			
Deferred tax liabilities		1,095,196	631,869

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

24. DEFERRED TAXATION (CONTINUED)

Deferred tax liabilities

	Property, plant and equipment	2021	2020
	RM	RM	(Restated)
Balance as at beginning of the financial year	11,131	291,751	
Recognised in profit or loss	(58,237)	(284,976)	
Acquisition of a subsidiary company	6,353,355	4,356	
Disposal of a subsidiary company	(6,294,984)	-	
Balance as at end of the financial year	11,265	11,131	

	Revaluation of property, plant and equipment	2021	2020
	RM	RM	(Restated)
Balance as at beginning of the financial year	620,738	347,141	
Recognised in profit or loss	249,169	-	
Recognised in other comprehensive income	214,024	273,597	
Balance as at end of the financial year	1,083,931	620,738	

25. TRADE PAYABLES

	Group	2021	2020
	RM	RM	RM
Trade payables	8,433,760	9,328,090	
Trade payables, net	8,433,760	9,328,090	

The credit period granted to the Group for trade purchases ranged from 30 to 90 days (2020: 30 to 90 days).

Included in trade payables of the Group is an amount of RM518,503 (2020: RM918,096) owing to related parties in which certain directors have significant direct interest.

26. OTHER PAYABLES

	Group	2021	2020	Company	2021	2020
	RM	RM	RM	RM	RM	RM
Other payables	(a)	6,769,999	8,532,542	3,441,041	3,414,786	
Deposits	(b)	432,378	767,300	-	-	
Accruals		1,703,973	879,104	817,515	302,900	
		8,906,350	10,178,946	4,258,556	3,717,686	

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. OTHER PAYABLES CONTINUED)

(a) Other payables

Included in other payables of the Group and of the Company is an amount of RM1,725,157 (2020: RM1,824,786) in relation to the advances from ex-directors, where the amount is unsecured, interest free and repayable on demand.

Included in other payables of the Group is an amount of RM500,000 (2020: RM500,000) in relation to the advances from payables, where the amount is unsecured, interest free and repayable on demand.

Included in other payables of the Group is an amount of RM1,382,000 (2020: RM3,282,000) in relation to the advances from payables, where the amount is unsecured, subject to interest rates range from 4% to 6% (2020: 4% to 6%) and repayable within six (6) months.

(b) Deposits

	Group	
	2021 RM	2020 RM
Deposit	432,378	787,012
Waiver of deposit during the financial year	-	(19,712)
Total	432,378	767,300

27. AMOUNT DUE TO DIRECTORS

Amount owing to directors are unsecured, interest-free and repayable on demand.

28. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Major products and service lines:				
Sale of goods	54,710,137	24,134,122	-	-
Services rendered	18,029,020	15,381,726	-	-
Rental income	408,000	1,592,328	-	-
Management fee	177,000	34,000	600,000	600,000
Total	73,324,157	41,142,176	600,000	600,000
Timing and recognition:-				
- at point in time	73,324,157	41,142,176	600,000	600,000
Revenue from contracts with customers	73,147,157	41,108,176	-	-
Other revenue	177,000	34,000	600,000	600,000
Total revenue	73,324,157	41,142,176	600,000	600,000

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

28. REVENUE (CONTINUED)

The following information reflects the typical transactions of the Group and of the Company:-

Nature of goods and services	Timing of recognition	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sales of goods:-					
1. Sale of security and video surveillance equipment	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 to 60 days from the invoice date.	Trade discounts	Not applicable	Defect liability period up to one (1) to three (3) years is given to customers.
2. Sale of network equipment	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 to 90 days from the invoice date.	Not applicable	Not applicable	Defect liability period up to three (3) years is given to customers.
3. Sale of medical equipment	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 to 90 days from the invoice date.	Not applicable	Not applicable	Defect liability period up to six (6) months is given to customers.
Services rendered:-					
1. Repair and maintenance of security and video surveillance	Revenue is recognised at a point in time when services rendered to customers.	Credit period of 30 to 60 days from the invoice date.	Not applicable	Not applicable	Not applicable
2. Provision of logistics services	Revenue is recognised at a point in time when services rendered to customers.	Credit period of 30 to 90 days from the invoice date.	Not applicable	Not applicable	Not applicable
Rental income:-					
1. Properties management	Revenue is recognised at a point in time when services rendered to customers.	Credit period of 30 to 90 days from the invoice date.	Not applicable	Not applicable	Not applicable
2. Rental income	Revenue is recognised at a point in time with the substance of the relevant terms of agreements / contracts.	Credit period of 30 days from the invoice date.	Not applicable	Not applicable	Not applicable
Management fee	Revenue is recognised at a point in time with the substance of the relevant terms of agreements / contracts.	Credit period of 30 days from the invoice date.	Not applicable	Not applicable	Not applicable

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

29. FINANCE COSTS

	Group	
	2021 RM	2020 RM
Interest expenses on:		
- Bank overdraft	321,000	76,254
- Bank guarantee charges	35,657	-
- Hire purchase	55,772	51,941
- Term loans	823,022	1,610,312
- Trust receipt	30,637	37,182
- Banker's acceptance	2,591,669	-
- Lease liabilities	38,424	7,927
- Other loan	-	372,000
	3,896,181	2,155,616

30. LOSS BEFORE TAXATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loss before taxation is arrived at after charging:				
Auditors' remuneration:				
- current year	177,000	147,000	55,000	45,000
- under/(over) provision prior year	7,011	1,000	-	-
- non-statutory audit	7,000	6,000	7,000	-
- special audit	10,000	-	-	-
Amortisation of intangible assets (Note 7)	2,603	-	-	-
Depreciation on property, plant and equipment (Note 5)	2,196,761	622,540	-	-
Depreciation on right-of-use assets (Note 6)	1,318,910	105,745	-	-
Directors' remuneration (Note 31)	1,975,454	1,862,544	297,000	283,200
Impairment losses:-				
- amount due from subsidiary companies (Note 17)	-	-	1,418,581	10,029,812
- goodwill on consolidation (Note 10)	-	17,800,000	-	-
- investment in subsidiaries (Note 9)	-	-	2,515,338	38,581,599
- other receivables (Note 15)	-	4,119,486	-	3,652,737
- trade receivables (Note 14)	71,791	864,353	-	-
- property, plant and equipment (Note 5)	7,735	-	-	-
Loss on disposal of investment property	-	12,544,152	-	-
Provision for slow-moving inventories (Note 13)	195,880	30,946	-	-
Property development cost expensed off	32,494	-	-	-
Rental expenses:-				
- Equipments	13,953	10,458	-	-
- Motor vehicles	32,160	106,655	-	-
- Offices	18,632	200,250	-	-
Staff costs:-				
- Salaries, bonuses	5,057,684	4,682,565	-	-
- Defined contribution plans	529,038	615,335	-	-
- Other benefits	64,549	124,066	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

30. LOSS BEFORE TAXATION (CONTINUED)

	Group	2021 RM	2020 RM	Company	2021 RM	2020 RM
Loss before taxation is arrived at after charging:						
(Continued)						
Written-off of:-						
- Bad debt - other receivables		-	194,110		-	-
- Bad debt - trade receivables		9,705	10,793		-	-
- Deposits (Note 15)		47,000	422,235		-	-
- Inventories - finished goods (Note 13)		33,371	248,534		-	-
- Inventories - land held for property development (Note 13)		-	23,988,266		-	-
- Prepayment (Note 15)		-	673,300		-	-
- Property, plant and equipment (Note 15)		29,017	46,607		-	-
after crediting:						
Dividend income		(151,446)	(161,174)		-	-
Fair value gain on investment properties		(1,100,000)	-		-	-
Gain on disposal of property, plant and equipment		(96,090)	(77,403)		-	-
Gain on disposal of subsidiary companies (Note 9)		(6,138,987)	-		-	-
Gain on disposal of quoted shares		(294,881)	-		-	-
Gain on termination of lease		(10,102)	-		-	-
Loss/(Gain) on foreign exchange:-						
- unrealised		9,318	(3,517)		-	-
- realised		(123,060)	(30,744)		-	-
Government subsidies		(83,971)	(151,200)		-	-
Interest income		(701,236)	(452,401)	(11,492)	(4,692)	
Rental income		(7,800)	(33,800)	-	-	
Reversal of impairment losses on amount owing by an associate (Note 16)		(35,967)	(2,802)	-	-	
Reversal of impairment losses on amount owing by subsidiary companies (Note 17)		-	-	(648,461)	-	
Reversal of impairment losses on trade receivables (Note 14)		(39,403)	-	-	-	
Reversal of impairment losses on other receivables (Note 15)		(4,332)	-	-	-	
Waiver of deposit		-	(19,712)	-	-	

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

31. DIRECTORS' REMUNERATIONS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive Directors				
- Fees	351,832	198,000	-	-
- Salaries, bonuses and allowances	1,258,885	1,343,000	120,000	120,000
- Others	169,737	158,344	-	-
Total	1,780,454	1,699,344	120,000	120,000
Non-Executive Directors				
- Fees	186,000	152,000	168,000	152,000
- Meeting allowances	9,000	11,200	9,000	11,200
Total	195,000	163,200	177,000	163,200
Grand Total	1,975,454	1,862,544	297,000	283,200

32. TAXATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Income taxation				
Provision for current financial year	580,588	343,558	-	-
Under/(over)provision in the previous financial year	78,689	(525,303)	-	(485,000)
	659,277	(181,745)	-	(485,000)
Deferred taxation				
Recognised in the income statement	(179,000)	(291,750)	-	-
Underprovision in the previous financial year	11,932	6,774	-	-
	(190,932)	(284,976)	-	-
Tax expenses for the current financial year	850,209	(466,721)	-	(485,000)

Domestic current income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable loss for the year.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

32. TAXATION (CONTINUED)

The reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loss before taxation	(7,947,155)	(63,320,256)	(4,596,813)	(50,055,501)
Tax at the statutory tax rate of 24% (2020: 24%)	(1,907,317)	(15,196,861)	(1,103,235)	(12,013,320)
Non-deductible expenses	2,460,337	15,208,252	1,262,152	11,476,284
Non-taxable income	(869,987)	(92,612)	(158,389)	-
Deferred tax assets not recognised during the financial year	976,540	577,072	(528)	537,036
Utilisation of previously unrecognised deferred tax assets	5,143	(444,043)	-	-
Deferred tax liabilities on valuation gain	110,000	-	-	-
Crystallisation of deferred tax liabilities arose from revaluation surplus	(15,128)	-	-	-
Under/(over)provided in the previous financial year				
- Income Taxation	78,689	(525,303)	-	(485,000)
- Deferred Taxation	11,932	6,774	-	-
Tax expenses for the current financial year	850,209	(466,721)	-	(485,000)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other deductible temporary difference	3,475,944	2,793,649	-	-
Unabsorbed capital allowances	500,914	270,304	-	-
Unutilised tax losses	6,308,238	3,130,797	161,089	163,289
	10,285,096	6,194,750	161,089	163,289
Unrecognised deferred tax assets at 24% (2020: 24%)	2,468,423	1,486,740	38,661	39,189

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

32. TAXATION (CONTINUED)

The unabsorbed capital allowances can be carried forward indefinitely, and unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment effective from year 2019 and it can only be utilised against income from the same business source. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The availability of unabsorbed capita allowances and unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group is subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Utilisation period				
Indefinite	3,916,858	3,063,953	-	-
Expired by 31 July 2026	2,479,498	2,515,407	161,089	163,289
Expired by 31 July 2027	605,454	615,390	-	-
Expired by 31 July 2028	3,223,286	-	-	-
	10,285,096	6,194,750	161,089	163,289

33. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per share is based on the earnings for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year calculated as follows:

	Group	
	2021	2020
Loss attributable to ordinary shareholders (RM'000)	(5,331)	(61,891)
Weighted average number of ordinary shares (units'000)	2,753,182	2,084,656
Basic loss per ordinary share (sen)	(0.19)	(2.97)

The basic loss per ordinary share is calculated by dividing the consolidated net loss attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

(b) Diluted loss per ordinary share

Diluted loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from conversion of ICPS and warrants into ordinary shares. The ICPS are deemed to have been converted into ordinary shares at the date of and warrants the issue of the ICPS.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

33. LOSS PER SHARE (CONTINUED)

(b) Diluted loss per ordinary share

	Group	
	2021	2020
Loss attributable to ordinary shareholders (RM'000)	(5,331)	(61,891)
Weighted average number of ordinary shares (units'000)	2,753,182	2,084,656
Adjusted for:		
Assumed shares issued from the conversion of		
- Warrants A ^	-	-
- Warrants B ^	-	-
- Warrants C ^	-	-
- ICPS	7,416,871	20,554,665
Adjusted weighted average number of ordinary shares on issue and issuable (units'000)	10,170,053	22,639,321
Fully diluted loss per share (sen)	(0.05)	(0.27)

*

*

* The diluted loss per share for the current and previous financial year is equal to the basic earnings per share as the conversion of potential ordinary shares would decrease loss per share from continuing operations. Thus, the potential effect of the conversion of warrants would be anti-dilutive.

^ The exercise price of the Warrant A, Warrant B and Warrant C exceeds the average market price of ordinary shares during the financial year. Therefore, the warrant do not have any dilution effect on the weighted average number of ordinary shares.

34. CONTINGENT LIABILITIES

	Company	
	2021	2020
	RM	RM
Secured		
Corporate guarantee given to licensed bank for banking facilities granted to a subsidiary company	14,754,559	9,329,392

As at the end of the reporting year, there was no indication that any subsidiary company would default on repayment.

The corporate guarantee have not been recognised since the fair value on initial recognition was not material as the repayment is on schedule and no liability.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

35. CAPITAL COMMITMENTS

The Group and the Company have made commitments for the following capital expenditures:

	Group	
	2021 RM	2020 RM
Property, plant and equipment	61,526,758	-

On 1 July 2021, a wholly owned subsidiary companies, Nexgram Biomedic Sdn Bhd had entered into a Sale and Purchase Agreement (“SPA”) with Perbadanan Kemajuan Negeri Melaka to acquire a piece of 99 years of leasehold land in Melaka.

36. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group and the Company have related party relationships with its directors, key management personnel and entities within the same group of companies.

The outstanding balances arising from related party transaction as at the reporting date are disclosed in Notes 16, 17, 27 and 31.

(b) In addition to the information detailed elsewhere in the financial statements, the Company carried out the following transactions with its related parties during the financial year:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Related parties:-</u>				
Purchase of services which certain directors has substantial interest	3,780,488	3,577,225	-	-
Sales of goods to a company connected to a director	5,041,600	-	-	-
<u>Associate:-</u>				
Management fee	63,000	34,000	-	-
Rental income	-	10,000	-	-
Sale of goods	2,834,684	2,202,001	-	-
Sale of equipment	31,789	1,499	-	-
<u>Subsidiary:-</u>				
Management fee	-	-	600,000	600,000

(c) The key management personnel comprised all the directors of the Group and of the Company whose remuneration during the year are disclosed in Note 31.

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

37. SEGMENT INFORMATION

General information

The information reported to the Group's chief operating decision maker to make decision about resources to be allocated and for assessing their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transaction between reportable segments are measured on the basis that is similar to those external customers.

Segments statements of profit or loss and other comprehensive income are profit earned or loss incurred by each segments without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

(a) Business segments

The reportable business segment of the Group comprise the following:

- (a) Investment holding;
- (b) Information technology services ("ICT");
 - (i) Malaysia – home country
 - (ii) Oversea– consists of British Virgin Island
- (c) Property investment;
 - (i) consists of property development, property investment and management
- (d) Logistics; and
 - (i) consists of shipping
- (e) Healthcare
 - (i) consists of medical equipment

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

37. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

	Group 2021	Investment Holding RM	ICT Malaysia RM	Oversea RM	ICT Investment RM	Property Investment RM	Logistics RM	Healthcare RM	Elimination RM	Consolidated RM
Revenue										
External revenue		-	19,884,573	-	-	-	12,250,862	41,188,722	-	73,324,157
Inter-segment revenue	600,000	-	-	-	-	-	-	1,225,541	(1,825,541)	(a)
Total revenue	600,000	19,884,573					12,250,862	42,414,263	(1,825,541)	73,324,157
Results										
Segment results	(4,586,764)	(375,143)	2,098,031	(3,659,773)	(338,443)	(6,374,660)	4,750,351	(a)	(8,480,401)	
Depreciation of property, plant and equipment	-	(268,1170)	-	(96)	(190,045)	(1,738,450)	-	-	(2,196,761)	
Depreciation of right-of-use assets	-	(346,878)	-	-	(361,382)	(29,002)	(943,030)	-	(1,318,910)	
Finance costs	-	(215,973)	-	-	(54,528)	(54,528)	(3,264,298)	-	(3,896,181)	
Finance income	11,492	261,420	-	418,801	2,563	6,960	-	-	701,236	
Income tax expense	-	(553,611)	-	(113,224)	-	(183,374)	-	-	(850,209)	
Other non-cash expenses	(27,541)	1,023,315	-	(32,494)	(33,907)	6,049,095	-	-	6,978,468	
Share of results of an associate	-	265,394	-	-	-	-	-	-	(i)	
(Loss)/Profit for the financial year	(4,596,813)	(209,646)	2,098,031	(3,748,168)	(643,362)	(6,447,757)	4,750,351			
										(8,797,364)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

37. SEGMENT INFORMATION (CONTINUED)**(a) Business segments (Continued)**

Group	Investment Holding	ICT Malaysia	Oversea	Property Investment	Logistics	Healthcare	Elimination	Consolidated
2021	RM	RM	RM	RM	RM	RM	RM	RM
Assets								
Segment assets	104,354,810	43,965,909	8,518,463	36,403,344	1,475,324	39,411,490	(105,854,381)	(b) 128,274,959
Goodwill	-	395,338	-	-	-	-	33,335,396	33,730,734
Tax recoverable	-	216,946	-	-	231	33,836	-	251,013
Consolidated total assets	104,354,810	44,578,193	8,518,463	36,403,344	1,475,555	39,445,326	(72,518,985)	162,256,706
Other information								
Addition to property, plant and equipment	-	130,122	-	-	4,676	935,434	-	1,070,232
Liabilities								
Segment liabilities	5,372,516	12,838,953	107,094,234	23,671,606	7,445,968	18,509,067	(154,364,927)	(c) 20,567,417
Loans and borrowings	-	4,710,853	-	5,905,987	977,416	6,989,893	-	18,584,149
Deferred tax liabilities	-	1,018,936	-	-	-	1,1265	64,995	1,095,196
Lease liabilities	-	1,076,660	-	-	17,826	141,256	-	1,235,742
Consolidated total liabilities	5,372,516	19,645,402	107,094,234	29,577,593	8,441,210	25,651,481	(154,299,932)	41,482,504

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

37. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

	Group 2020	Investment Holding RM	ICT Malaysia RM	Oversea RM	Property Investment RM	Logistics RM	Healthcare RM	Elimination RM	Consolidated RM
Revenue									
External revenue		21,197,225	-	1,435,127	14,457,254	4,052,570	-	(788,499)	41,142,176
Inter-segment revenue	600,000	477	-	188,022	-	-	-	(a)	-
Total revenue	600,000	21,197,702	-	1,623,149	14,457,254	4,052,570	(788,499)		41,142,176
Results									
Segment results	(46,407,456)	(124,805)	(4,366,569)	(410,014)	92,085	826,955	50,128,560	(a)	(261,244)
Depreciation of property, plant and equipment	-	(271,371)	-	(145,414)	(182,843)	(22,912)	-	-	(622,540)
Depreciation of right-of-use assets	-	(72,867)	-	-	(29,002)	(3,876)	-	-	(105,745)
(243,392)	-	(1,465,044)	-	(68,732)	(378,448)	-	-	-	(2,155,616)
Finance costs	4,692	404,814	-	37,360	4,328	1,207	-	-	452,401
Finance income	485,000	303,496	-	14,690	-	(154,214)	(182,251)	-	466,721
Income tax expense	(3,652,737)	221,665	-	36,416,351	2,529,566	662,359	17,800,000	(i)	60,839,348
Other non-cash expenses	-	-	-	-	-	-	-	-	-
Share of results of an associate	-	211,836	-	-	-	-	-	-	211,836
(Loss)/Profit for the financial year	(49,570,501)	429,376	(4,366,569)	(38,384,773)	(2,713,730)	(393,647)	32,146,309		(62,853,535)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

37. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

Group	Investment Holding	ICT Malaysia	Property Investment	Logistics	Healthcare	Elimination	Consolidated
2020	RM	RM	RM	RM	RM	RM	RM
Assets							
Segment assets	95,533,246	41,348,233	6,388,007	37,912,857	3,040,580	4,488,157	(91,128,551)
Goodwill	-	395,339	-	-	-	1,859,547	31,475,848
Tax recoverable	-	233,585	-	-	231	-	-
Consolidated total assets	95,533,246	41,977,157	6,388,007	37,912,857	3,040,811	6,342,704	(59,652,703)
Other information							
Addition to property, plant and equipment	-	169,755	-	-	430,741	208,494	-
							808,990
Liabilities							
Segment liabilities	5,091,934	11,893,376	107,590,080	21,473,178	8,232,981	4,128,172	(136,269,052)
Loans and borrowings	-	4,899,038	-	5,868,759	1,093,613	717,991	-
Deferred tax liabilities	-	438,487	-	-	-	1,131	182,251
Lease liabilities	-	244,292	-	-	47,430	182,660	-
Consolidated total liabilities	5,091,934	17,475,193	107,590,080	27,341,937	9,374,024	5,039,954	(136,086,801)
							35,826,321

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- (a) Inter-segment transactions and revenue are eliminated on consolidation;
- (b) Inter-segment assets are eliminated on consolidation; and
- (c) Inter-segment liabilities are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

37. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(i) Other non-cash expenses consist of the following items:-

	Group	2021	2020
	RM	RM	RM
Fair value gain on investment properties	(1,100,000)	-	-
Gain on disposal of property, plant and equipment	(96,090)	(77,403)	-
Gain on disposal of subsidiary companies	(6,138,987)	-	-
Gain on foreign exchange- unrealised	9,318	(3,517)	-
Reversal of impairment loss on:-			
- amount owing by an associate	(35,967)	(2,802)	-
- trade receivables	(39,403)	-	-
- other receivables	(4,332)	-	-
Waiver of deposit	-	(19,712)	-
Impairment loss on:-			
- goodwill on consolidation	-	17,800,000	-
- other receivables	-	4,119,486	-
- trade receivables	71,791	864,353	-
- property, plant and equipment	7,735	-	-
Loss on disposal of investment property	-	12,544,152	-
Provision of slow-moving inventories	195,880	30,946	-
Property development cost expensed off	32,494	-	-
Written-off of:-			
- bad debt - other receivables	-	194,110	-
- bad debt - trade receivables	9,705	10,793	-
- deposits	47,000	422,235	-
- inventories - finished goods	33,371	248,534	-
- inventories - land held for property development	-	23,988,266	-
- prepayment	-	673,300	-
- property, plant and equipment	29,017	46,607	-
	(6,978,468)	60,839,348	-

(b) Geographical information

Revenue and non-current assets are based on the geographical location of customers and assets respectively.

	Revenue		Non-current assets	
	2021	2020	2021	2020
	RM	RM	RM	RM
Malaysia	73,309,261	41,142,176	77,137,728	73,946,773
Indonesia	14,896	-	-	-
British Virgin Island	-	-	7,334,296	6,240,624
	73,324,157	41,142,176	84,472,024	80,187,397

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

37. SEGMENT INFORMATION (CONTINUED)

(c) Major customer

The following are major customer with revenue equal or more than 10% of the Group's total revenue:-

Segment	Revenue	
	2021 RM	2020 RM
Customer A	ICT Malaysia	- 9,118,426

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its risks.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

38.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets include fixed deposits with licensed banks. Interest-bearing liabilities include bank overdrafts, trust receipt, banker acceptance, hire purchase payables, term loan and lease liabilities.

The interest rates per annum on the financial assets and liabilities are disclosed in Note 6, 18 and 23.

The Group adopts a strategy of mixing fixed and floating rates borrowing to minimise exposure to interest rate risk. The Group and the Company also review their debt portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any changes in interest rates at the end of reporting year would not affect its profit or loss. For floating rate financial instruments stated at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	(Decrease)/ Increase in Profit or Loss 2021 RM	(Decrease)/ Increase in Profit or Loss 2020 RM
Increase in interest rate by 5%	(850,821)	(575,192)
Decrease in interest rate by 5%	850,821	575,192

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables. The Company is also exposed to credit risk in respect of its advances to subsidiaries and financial guarantees provided for credit facilities granted to certain subsidiaries. Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis through the review of receivables ageing.

The maximum exposure to credit risk is disclosed in Note 14 to the financial statements, representing the carrying amount of the trade receivables recognised on the statement of financial position.

As at 31 July 2021, the Group has significant concentration of credit risk in the form of outstanding amount of approximately RM5,430,621 (2020: RM4,610,294) due from two (2) trade receivables respectively which represents 52% (2020: 67%) of the total trade receivables of the Group. The directors are of the opinion that these amounts outstanding are fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk are monitored individually.

(b) Other receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The maximum exposure to credit risk is disclosed in Note 15 to the financial statements, representing the carrying amount of the other receivable recognised on the statement of financial position.

(c) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(d) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the related companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 31 July 2021, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.2 Credit risk (Continued)

(e) Financial guarantee

The Company provides secured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on individual basis.

The maximum exposure to credit risk is disclosed in Note 34 to the financial statements, representing the carrying amount of the financial guarantee not recognised on the statement of financial position.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full.

During the financial year, the Company has not credit impaired any financial guarantee.

38.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. Foreign currency exposures in transactional currencies other than functional currencies are kept to an acceptable level. The Group and the Company has not entered into any derivative financial instruments such as forward foreign exchange contracts.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including British Virgin Island. The Group's investments in foreign operations are not hedged.

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group 2021	USD RM	Euro RM	Others RM	Total RM
Cash and bank balances	153,817	-	772	154,589
Trade receivables	589,039	-	-	589,039
Trade payables	(1,034,879)	-	-	(1,034,879)
	(292,023)	-	772	(291,251)

Group 2020	USD RM	Euro RM	Others RM	Total RM
Cash and bank balances	1,041	-	772	1,813
Trade receivables	44,955	-	-	44,955
Trade payables	(261,962)	(38,660)	-	(300,622)
	(215,966)	(38,660)	772	(253,854)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.3 Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's pre-tax loss to a reasonably possible change in the USD and Euro against the respective functional currencies of the Group, with all other variables held constant.

		Group	
		(Decrease)/ Increase in Profit or Loss 2021 RM	(Decrease)/ Increase in Profit or Loss 2020 RM
USD/RM	-strengthened 1%	(2,920)	2,160
	-weakened 1%	2,920	(2,160)
Euro/RM	-strengthened 1%	-	387
	-weakened 1%	-	(387)

38.4 Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market price (other than interest or exchange rates).

The Group has in place policies to manage the Group's exposure to fluctuations in the selling price or services rendered of the Group's products and purchase prices of the key raw materials used in the operations. The management conducts constant survey of the global market price and trend in order to determine the selling price.

38.5 Other price risk

The Group's exposure to other price risk arises mainly from other investment. The Group manages its exposure to other price risk by maintaining a portfolio of debt securities and equities with different risk profiles. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis.

The following table demonstrates the sensitivity of profit or loss to reasonably possible price movements in quoted investments, with all other variables held constant:-

	Group	
	(Decrease)/ Increase in Profit or Loss 2021 RM	(Decrease)/ Increase in Profit or Loss 2020 RM
Increase in price by 10%	734,968	624,062
Decrease in price by 10%	(734,968)	(624,062)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.6 Liquidity and cash flow risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched of the maturities of financial assets and liabilities. The Group's and the Company's objectives are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:-

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Later than 1 year but not later than 5 years		More than 5 years RM
				Not later than 1 year RM	later than 5 years RM	
Trade and other payables	17,340,110	-	17,340,110	17,340,110	-	-
Amount due to directors	2,962,004	-	2,962,004	2,962,004	-	-
Bank overdraft	946,406	6.81 - 7.59	946,406	946,406	-	-
Banker acceptance	5,531,010	3.61 - 3.71	5,531,010	5,531,010	-	-
Trust receipt	607,536	6.92 - 8.17	607,536	607,536	-	-
Hire purchase payables	1,154,992	2.46 - 5.01	1,250,408	329,603	715,844	204,961
Term loans	10,344,205	2.93 - 9.45	10,344,205	766,331	7,125,397	2,452,477
Lease liabilities	1,235,742	3.71 - 4.07	1,315,660	402,460	913,200	-
	40,122,005		40,297,339	28,885,460	8,754,441	2,657,438

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.6 Liquidity and cash flow risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:- (Continued)

Group	2020	Later than 1 year but not later than 5 years			More than 5 years RM
		Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	
Trade and other payables	19,507,036	-	-	19,507,036	-
Amount due to directors	2,487,463	-	-	2,487,463	-
Bank overdraft	898,311	7.76 - 8.24	898,311	898,311	-
Trust receipt	552,210	5.35 - 8.42	552,210	552,210	-
Hire purchase payables	1,259,493	2.53 - 5.76	1,368,265	390,614	877,544
Term loans	9,869,387	3.27 - 10.20	9,869,387	853,681	6,253,487
Lease liabilities	474,382	4.07	493,691	141,156	352,535
	35,048,282			35,176,363	24,830,471
					7,483,566
					2,862,326
Company	2021				
Other payables	4,258,556	-	-	4,258,556	4,258,556
Amount due to subsidiary companies	480,757	-	-	480,757	480,757
Amount due to directors	633,203	-	-	633,203	633,203
Financial guarantee	14,754,559	-	-	14,754,559	14,754,559
	20,127,075			20,127,075	20,127,075
2020					
Other payables	3,717,686	-	-	3,717,686	3,717,686
Amount due to subsidiary companies	903,467	-	-	903,467	903,467
Amount due to directors	470,780	-	-	470,780	470,780
Financial guarantee	9,329,392	-	-	9,329,392	9,329,392
	14,421,325			14,421,325	14,421,325

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.6 Liquidity and cash flow risk (Continued)

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Financial asset measured at fair value through other comprehensive income
- (ii) Financial assets measured at amortised cost
- (iii) Financial liabilities measured at amortised cost

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets				
<u>At fair value through other comprehensive income</u>				
Other investments	7,349,678	6,240,624	-	-
<u>At amortised costs</u>				
Trade receivables	10,488,353	6,927,250	-	-
Other receivables	39,108,512	17,856,474	4,327,818	4,358,134
Amount due from subsidiary companies	-	-	25,293,891	13,825,618
Amount due from an associate	-	359,272	-	-
Fixed deposits with licensed banks	15,586,757	13,468,811	-	-
Cash and bank balances	8,083,742	8,701,948	3,069,099	3,470,153
	73,267,364	47,313,755	32,690,808	21,653,905
Financial liabilities				
<u>At amortised costs</u>				
Trade payables	8,433,760	9,328,090	-	-
Other payables	7,202,377	9,299,842	3,441,041	3,414,786
Loans and borrowings	18,584,149	12,579,401	-	-
Lease liabilities	1,235,742	474,382	-	-
Amount due to subsidiary companies	-	-	480,757	903,467
Amount due to directors	2,962,004	2,487,463	633,203	470,780
	38,418,032	34,169,178	4,555,001	4,789,033

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.7 Net (gain)/losses arising from financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Net (gain)/losses on:-				
Financial assets at amortised cost	(701,236)	(452,401)	(11,492)	(4,692)
Financial asset at fair value through other comprehensive income	(1,979,685)	2,920,990	-	-
Financial liabilities at amortised cost	3,896,181	2,155,616	-	-
	1,215,260	4,624,205	(11,492)	(4,692)
Net loss on impairment of financial instruments:-				
Financial assets at amortised cost	92,529	5,608,175	-	13,682,549

38.8 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value and those not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

Group	Financial instruments that are carried at fair value				Total RM
	Level 1 RM	Level 2 RM	Level 3 RM		
Financial asset					
2021					
Investment in quoted shares	7,349,678	-	-		7,349,678
2020					
Investment in quoted shares	6,240,624	-	-		6,240,624

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.8 Fair value of financial instruments (Continued)

Group	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1 2021	Level 2 RM	Level 3 RM	Total RM
Financial liabilities				
Loans and borrowings	-	-	18,584,149	18,584,149
Lease liabilities	-	-	1,235,742	1,235,742
Amount due to directors	-	-	2,962,004	2,962,004
	-	-	22,781,895	22,781,895
2020				
Financial asset				
Amount due from an associate	-	-	359,272	359,272
Financial liabilities				
Loans and borrowings	-	-	12,579,401	12,579,401
Lease liabilities	-	-	474,382	474,382
Amount due to directors	-	-	2,487,463	2,487,463
	-	-	15,541,246	15,541,246
Company				
2021				
Financial asset				
Amount due from subsidiary companies	-	-	25,293,891	25,293,891
	-	-	25,293,891	25,293,891
Financial liabilities				
Amount due to subsidiary companies	-	-	480,757	480,757
Amount due to directors	-	-	633,203	633,203
	-	-	1,113,960	1,113,960

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.8 Fair value of financial instruments (Continued)

Group	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value				Total RM
	Level 1 RM	Level 2 RM	Level 3 RM		
2020					
Financial asset					
Amount due from subsidiary companies	-	-	13,825,618	13,825,618	
	-	-	13,825,618	13,825,618	
Financial liabilities					
Amount due to subsidiary companies	-	-	903,467	903,467	
Amount due to directors	-	-	470,780	470,780	
	-	-	1,374,247	1,374,247	

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2020: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

Amount due from an associate, amount due from/(to) subsidiary companies, loan and borrowings, lease liabilities and amount due to directors

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested in the directors.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

39. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 July 2021.

The Group and the Company monitor capital using a net debt equity ratio, which is net debts divided by capital and net debts. The Group's and the Company's net debts include total liabilities less provision for taxation, deferred tax liabilities, amount due to subsidiary companies and cash and cash equivalents. Total capital comprises share capital and reserves attributable to owners of the Group and of the Company. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Net debts	40,122,005	35,048,282	4,891,759	4,188,466
Less: Cash and cash equivalents	(13,834,164)	(15,189,258)	(3,069,099)	(3,470,153)
Net debts	26,287,841	19,859,024	1,822,660	718,313
Equity attributable to owners of the Company	113,984,170	88,947,700	98,982,293	90,441,313
Capital and net debts	140,272,011	108,806,724	100,804,953	91,159,626
Gearing ratio (%)	18.74	18.25	1.81	0.79

40. MATERIAL LITIGATION

(a) Legal suit with Spacious Glory Sdn Bhd

Spacious Glory Sdn Bhd (“Plaintiff”) vs Nexgram Land Sdn Bhd (currently known as Coconut Three Sdn Bhd (“CTSB”)) (“Defendant”)

CTSB, a wholly-owned subsidiary of the Company had on 18 July 2017 received a sealed Writ of Summons dated on 13 July 2017 (“the Writ”) and Statement of Claim dated on 12 July 2017 from the Plaintiff's solicitor claiming the sum of RM12,500,000 from the Defendant.

The Plaintiff is claiming RM12,500,000 from the Defendant, being the purchase consideration for the sale and purchase of 770,000 ordinary shares, representing 70% equity interest in Blue Hill Development Sdn Bhd (“BHD”) by the Defendant from the Plaintiff pursuant to the Sale and Purchase Agreement (“SPA”) dated on 15 April 2016.

The claim had been categorically denied and disputed by the Defendant and Defendant had at the same time on 21 August 2017 filed a counter-claim against the Plaintiff for breach of warranties especially with regards to the no-litigations (current or future, written or verbal, and apparent, contingent or threatened) confirmation made by its director during the due diligence exercise prior to signing of the SPA of the shares in BHD between Plaintiff and the Defendant.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

40. MATERIAL LITIGATION (CONTINUED)

(a) Legal suit with Spacious Glory Sdn Bhd (Continued)

Spacious Glory Sdn Bhd ("Plaintiff") vs Nexgram Land Sdn Bhd (currently known as Coconut Three Sdn Bhd ("CTSB")) ("Defendant") (Continued)

The claim and counterclaim were tried in the Kuala Lumpur High Court on 4 June 2018 to 6 June 2018. On 20 July 2018, the High Court allowed Plaintiff's claim for RM12,500,000 plus interest in the original action. The High Court also allowed Defendant's claim for misrepresentation in the counterclaim action but did not grant the relief sought by the Defendant to (amongst others) terminate the Share Sale Agreement ("SSA") for misrepresentation.

Defendant has appealed against the High Court's decision and appeal is fixed for hearing on 9 October 2019. The Appellant had on 7 October 2019 filed a Notice of Motion to stay the Appeal.

On 15 October 2019, a physical Case Management to fix the hearing date for the Notice of Motion for the stay of Appeal as well as the Appeal proper. The Court of Appeal has fixed that the hearing of both Motion for Stay of Appeal as well as the Appeal proper on 16 December 2019. On 11 December 2019, the Appellant filed the Appellant's Second ("2nd") Motion for a Stay of Appeal. On 16 December 2019, the Appellant withdrawn the First ("1st") Motion for Stay and requested from the Court to reply to the Affidavit in Reply filed by the First Respondent in respect of the Appellant's 2nd Motion for a Stay of Appeal. The Court of Appeal then fixed the hearing of Appellant's 2nd Motion for a Stay of Appeal on 17 January 2020. On 17 January 2020, the Court of Appeal dismissed the Appellant's 2nd Motion for a Stay of Appeal and fixed the Appeal proper on 27 March 2020. Following the Movement Control Order ("MCO") issued by the Malaysian Government from 18 to 31 March 2020, as preventive measure to control the widespread of COVID-19 pandemic, the Court of Appeal had vacated the hearing of the Appeal proper and 27 March 2020 had been made a case management date by e-review to fix a new hearing date.

On 27 March 2020, the Court of Appeal has fixed on 28 August 2020 as the hearing of the Appeal proper. Hearing of the Appeal which was fixed on 28 August 2020 has been adjourned by the Court to 11 November 2020 pending leave from the High Court on the application by the First Respondent and the Second Respondent to proceed with the cross Appeal, due to restriction to file or proceed with any suit against the Plaintiff, as a result of the application for Judicial Management by the First Respondent.

The hearing was subsequently adjourned by the court to 26 April 2021. However, the court has fixed for Case Management pending obtaining Sanction from Director General of Insolvency ("DGI") on 5 July 2021. The application of Sanction has been approved by the Official Receiver vide their letter dated 27 August 2021.

The Court has fixed for Case Management pending obtaining Sanction from DGI on 23 November 2021 and on the said date the lawyer will inform the Court that DGI has granted the Sanction on 13 October 2021 to proceed this Appeal.

Solicitors are of the opinion that they have fair chance of success in defending against the Plaintiff's claim and establishing its counterclaim against Plaintiff and therefore no provision of litigation claim has been provided.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

40. MATERIAL LITIGATION (CONTINUED)

(b) Legal suit with Lau Tian Kit

(i) Coconut Three Sdn Bhd (“Plaintiff”) vs Lau Tian Kit (“Defendant”)

The Plaintiff had on 11 August 2018 filed a Writ and Statement of Claim dated on 9 August 2018 in Kuala Terengganu High Court against the Defendant to claim for compensation for breach of Profit Guarantee Agreement dated on 14 April 2016 (“Profit Guarantee Agreement”) given by the Defendant to the Plaintiff in which Blue Hill Development Sdn Bhd had failed to achieve RM2,000,000 post-tax profit and instead incurring a loss of RM5,250,311 as at 31 July 2017.

In Statement of Claim, the Plaintiff is claiming from the Defendant the following:-

- (1) the sum of RM7,250,311 to be paid by the Defendant to the Plaintiff;
- (2) interest at the rate of 5% per annum on the sum of RM7,250,311 to be calculated from 30 September 2017 up to the date of full settlement by the Defendant;
- (3) costs of action on solicitors-client basis to be paid by the Defendant to the Plaintiff; and
- (4) further and/or other relief that the Court deems just and/or suitable and/or fair.

On 20 September 2018, the Plaintiff had filed a Notice of Application for Summary Judgment against the Defendant. The Plaintiff had then served the unsealed Notice of Application and Affidavit in Support dated on 19 September 2018 and the sealed Notice of Application on 24 September 2018.

Subsequently, by the consent of both the Plaintiff and Defendant, the Plaintiff had withdrawn its application for Summary Judgment and the Defendant had withdrawn its application for striking out and the full trial took place on 14 January 2019. Oral clarification before the Honourable Judicial Commissioner was fixed on 31 May 2019, before the decision to be pronounced by the Court.

On 19 June 2019, the Court dismissed Plaintiff’s Claim with cost on the basis that the audited financial statement used by the Plaintiff to refer to the post-tax profit under the Profit Guarantee Agreement of Blue Hill Development Sdn Bhd is the audited financial statement dated 31 July 2017 and not the audited financial statement dated 30 September 2017 which should be the basis of the Claim.

The Plaintiff has on 16 July 2019 filed an appeal in the Court of Appeal Putrajaya.

Court of Appeal Putrajaya: Coconut Three Sdn Bhd (“Plaintiff”) vs Lau Tian Kit (“Defendant”)

The Plaintiff has filed a Notice of Appeal on 16 July 2019 in the Court of Appeal and fixed 30 June 2020 for the hearing of the appeal on the Profit Guarantee Agreement.

On 4 October 2019, the Court of Appeal has fixed 30 June 2020 as the hearing of the appeal but it was vacated and converted to e-review to enable the Applicant to fix a hearing date of its Notice of Motion for Extension of Time. The Respondents have indicated that they are not objecting to the application for extension of time by the Appellant. Subsequently, the Court has fixed the date of the hearing of the appeal on 9 November 2020 and which was extended to 3 May 2021 and further was extended to 30 September 2021.

The case is fixed for Case Management on 26 October 2021 pending obtaining Sanction from DGI and on 26 October 2021 informed the Court that the Sanction has been granted by DGI on 13 October 2021.

The case is fixed on 7 August 2021 for hearing and E-review on 8 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

40. MATERIAL LITIGATION (CONTINUED)

(b) Legal suit with Lau Tian Kit (Continued)

(ii) Coconut Three Sdn Bhd and Nexgram Holdings Berhad (“Plaintiffs”) vs Lau Tian Kit (“Defendant”)

The Plaintiffs had on 20 August 2018 filed a Writ and Statement of Claim against the Defendant amongst other things for minority shareholder oppression, refusal to allow access to accounting records of Blue Hill Development Sdn Bhd (“BHD”) and for writing on behalf of second Plaintiff to Bursa Malaysia Securities Berhad on various litigations matters involving BHD.

In the Statement of Claim, the Plaintiffs are seeking, *inter alia*, the following reliefs against the Defendant:-

- (1) the Defendant to allow an approved auditor to be appointed by the Plaintiffs to access and inspect and take copies of all accounting records and documents of BHD;
- (2) damages in the sum of RM7,000,000 or such other sum from the Defendant as the Court thinks fit to the Plaintiffs for refusal to provide the audited financial statement to the Plaintiffs;
- (3) damages in the sum of RM6,000,000 or such other sum as the Court thinks fit to the second Plaintiff as compensation for writing to Bursa Malaysia Securities Berhad without the authorisation of the Board of Directors of the second Plaintiff which had caused damage to the second Plaintiff;
- (4) Defendant is strictly prohibited whether personally or through any of his companies or through his solicitors or his advisors at any time, to write or communicate the matters pertaining to BHD which is within the jurisdictions of the Board of Directors of Coconut Three Sdn Bhd or the second Plaintiff to any party without the prior written approval of the Board of Directors of the respective Plaintiffs;
- (5) equitable compensation, other loss and damages to be assessed;
- (6) interest on all sum found to be due to the Plaintiffs at such rates and for such periods of time as the Court thinks fit; and
- (7) such further or other relief as the Honourable Court deems fit.

The Defendant has filed an application to strike out the Plaintiffs’ action and the Court fixed 11 January 2019 for hearing of application for striking out. On 21 February 2019, the Court dismissed the Defendant’s application to strike out and fixed on 8 May 2019 and 9 May 2019 for full trial. The Court subsequently fixed 18 September 2019 for decision hearing.

The Court has dismissed the Plaintiffs’ application with cost. The Plaintiff’s solicitors are in the midst of filing the Notice of Appeal and will be doing so by 17 October 2019.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

40. MATERIAL LITIGATION (CONTINUED)

(b) Legal suit with Lau Tian Kit (Continued)

(ii) Coconut Three Sdn Bhd and Nexgram Holdings Berhad (“Plaintiffs”) vs Lau Tian Kit (“Defendant”) (continued)

Court of Appeal Putrajaya: Coconut Three Sdn Bhd and Nexgram Holdings Berhad (“Appellants”) vs Lau Tian Kit (“Defendant”)

The Plaintiff's solicitor has filed the Notice of Appeal on 17 October 2019. The Court has fixed on 5 December 2019 for case management date. However, the Court of Appeal has fixed on 10 February 2020 for case management by e-review. The Respondent had on 30 January 2020 filed a Notice of Motion to strike out the Appeal by reason that the Notice of Appeal was served on the Respondent out of time. On 9 February 2020 the Appellants filed Notice of Motion for an extension of time to serve the Notice of Appeal to the Respondent.

The Court of Appeal has fixed both Applications for hearing simultaneously on 7 April 2020. Due to closure of businesses and Court as a result of the Movement Control Order imposed by the Government of Malaysia, the hearing on 10 April 2020 has been rescheduled to 18 June 2020. The Application by the Applicant was dismissed on 18 June 2020 with cost. The Company was dissatisfied with the Decision of the Court of Appeal especially when the grounds of judgment have not been issued by the High Court since its decision 17 October 2019. The Company has instructed its Solicitors to file a leave to appeal in the Federal Court and the application has been filed and the hearing for the leave to appeal has been fixed on 6 November 2020 and now extended to 25 November 2020.

The plaintiff has instructed its Solicitors to file a leave to appeal in the Federal Court. On 25 November 2020 the leave to Appeal by the Appellant dismissed by the Federal Court with cost of RM40,000 to be paid by the appellants to the Respondent.

(c) Legal Suit with Justin Faye & Partners

Winding Up Petition Served on Coconut Three Sdn Bhd (“Respondent”) by Justin Faye & Partners (“Petitioner”)

This Winding Up Petition was filed by Messrs. Justin Faye & Partners, the Petitioner on 04 February 2020. The said Winding Up Petition was heard and on 11 February 2021 and the Court has ordered that Coconut Three Sdn Bhd (Company No.: 1016195-X) be wound up by the Court under the provisions of the Companies Act, 2016.

Both the Respondent and the Petitioner filed Application to appoint their own Private Liquidators and both said Applications were dismissed by the Judicial Commissioner Nadzarin Bin Wok Nordin on 05 February 2021.

However, on 11 March 2021, the Respondent had fully settled the outstanding payment to the Petitioner.

The Respondent is in the midst of preparing the relevant Cause Papers in respect of the Termination of the Winding Up of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

(a) Outbreak of Covid-19

On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout Malaysia and around the world. On 16 March 2020, the Malaysian Prime Minister announced Movement Control Order (MCO) which includes closure of all government and private premises except those involved in essential services effective 18 March 2020 to 3 May 2020, Conditional Movement Control Order (CMCO) from 4 May to 9 June 2020, Recovery Movement Control Order (RMCO) from 10 June 2020 to 31 August 2020 and further extended RMCO to 31 December 2020. On 11 January 2021, the Malaysian Government announced the re-imposition of the MCO for certain states of the country effective from 13 January 2021 to 4 February 2021 which was further extended to 5 March 2021 and entered CMCO thereafter. On 3 May 2021, the Government re-imposed MCO which will be effective from 6 May 2021 to 17 May 2021 for selective states. Meanwhile, due to the spike in the cases, on 10 May 2021, the Government had announced that a nationwide MCO would be reinstated from 12 May 2021 to 7 June 2021 which was further extended until 28 June 2021. National Recovery Plan (NRP) has been implemented by the Government thereafter by phases in different states.

Consequently, the Covid-19 Outbreak had resulted in travel restrictions, lockdown and other precautionary measures which has then brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operates as well as may cause impact to the Group's and the Company's revenue, earnings, cash flows and financial condition.

Arising from the COVID-19 pandemic, the Group and the Company have implemented several measures to weather through this current challenging time. The following measures had been taken, with further additional efforts to be taken:

(i) Impact from Covid-19 Pandemic

The Group's business operations have been negatively affected due to the MCO and COVID-19 pandemic as the Group's operations in ICT security and logistic segments were temporarily halted. The Group further anticipates a weaker demand for ICT security and logistics related service in the short term.

Despite headwinds from uncertain economic environment, the Board and the management will be prudent and cautious in drawing up the Group's business plans for the financial year ending 31 July 2021. Nevertheless, the Board shall closely monitor the Group's operations and take the necessary steps to navigate its post-pandemic recovery to improve the performance of its operations.

(ii) Funding

The Group has taken the following steps to improve its financial performance and strengthen its financial position:

- disposal of 65% equity interest in Arita Holdings Sdn Bhd and its subsidiaries to streamline the Group's core operation in medical industry.
- disposal of 70% equity interest in PT NDS Glokal Utama and its subsidiaries to streamline the Group's core operation in medical industry.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONTINUED)

(a) Outbreak of Covid-19 (Continued)

(iii) Working capital management

The Group has taken the following steps to improve its working capital management:

- undertaken more effective cost management measures to control the Group's operational expenses, such as minimising administrative expenses consisting of staff costs through regular review of the Group operational costs structure;

As at the date of this report, it is challenging for the management of the Group and the Company to quantify the potential financial impact of the Covid-19 outbreak as the situation is still evolving and the outcome of the event is still unpredictable. The Group and the Company are actively monitoring and taking appropriate and timely measures to minimise any impact of Covid-19 on its operations, if any will be reflected in the 2022's annual financial statements.

(b) Acquisition of subsidiary companies

- (i) On 1 October 2020, Medical Brand Inc. ("MBI") has acquired 70% equity interest of PT NDS G lokal Utama ("PTNDS GU") for a total consideration of RM500,000.
- (ii) On 13 October 2020, NMED Industries Sdn Bhd ("NMEDI") has entered into a Share Sales Agreement ("SSA") with Arita Holdings Sdn Bhd ("AHSB") to acquire 65% equity interest in AHSB for a total consideration of RM19,500,000 via issuance of Redeemable Convertible Preference Shares ("RCPS") in NMEDI in the following manner:-
 - to acquire 55% of AHSB from Elite Plastic Ventures Sdn Bhd ("Elite") at the consideration of RM16,500,000; and
 - to acquire 10% of AHSB from Datin Khoo Phaik Ee ("Datin Khoo") at the consideration of RM3,000,000.

(c) Disposal of subsidiary companies

- (i) On 30 July 2021, NMEDI a wholly-owned subsidiary of the Company entered into a SSA to dispose 65% equity interest AHSB and its subsidiaries for a total consideration of RM19,500,000 via cash and cash equivalents.
- (ii) On 30 July 2021, MBI a wholly-owned subsidiary of the Company entered into a SSA to dispose 70% equity interest PTNDSGU and its subsidiary for a total consideration of RM500,000 via cash and cash equivalents.

(d) Acquisition of land

On 1 July 2021, a wholly owned subsidiary companies, Nexgram Biomedic Sdn Bhd had entered into a Sale and Purchase Agreement ("SPA") with Perbadanan Kemajuan Negeri Melaka to acquire a piece of 99 years of leasehold land in Melaka.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

42. COMPARATIVE FIGURES

- (a) The financial statements of the Group and of the Company as at 31 July 2020, were audited by another firm of auditors whose report dated 20 November 2020, expressed an unmodified opinion on those statements.
- (b) The presentation and classification of items in current year's financial statements are consistent with the previous financial year and the following comparative figures which have been reclassified to conform with current year's presentation and to reflect appropriately the nature of the transactions:

	As previously classified RM	Reclassifi- cation RM	As reclassified RM
Statement of Financial Position			
As at 31 July 2020			
Non-current assets			
Investment properties	10,100,000	(3,700,000)	6,400,000
Right-of-use assets	4,075,229	3,700,000	7,775,229
Non-current liability			
Deferred taxation	358,272	273,597	631,869
Equity			
Reserves			
- Revaluation reserve	558,701	1,191,680	1,750,381
Accumulated losses	(138,228,210)	(1,465,277)	(139,693,487)

LIST OF PROPERTIES

The details of properties owed by the Group as at 31 July 2021 are set out below:

Company	Location	Land / Built-up Area	Description / Existing use	Age of Building (years)	Date of Acquisition	Net Book Value as at 31 July 2021 (RM)
Nextnation Datacity Sdn Bhd	HS(D) 28897 PT 42830 Mukim Dengkil Daerah Sepang Negeri Selangor.	5.9 acres	Freehold land held for property development	9	10/4/2012	22,614,225
Sensorlink Holdings Sdn Bhd	49, Jalan Kuchai Maju 1, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	4,844sq/ft	Leasehold office unit/ Office	14	5/10/2007	3,700,000
Sensorlink Holdings Sdn Bhd	40, Jalan Serendah 26/41, Sekitar 26, Seksyen 26, 40400 Shah Alam, Selangor.	1,122 sq/m Build up area 808 sq/m	Three storey semi- detached industrial unit	8	7/11/2013	6,400,000
Sensorlink Sdn Bhd	51, Jalan Kuchai Maju 1, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	4,424sq/ft	Leasehold office unit/ Office	18	4/9/2003	3,568,889

ANALYSIS OF SHAREHOLDINGS

AS AT 29 OCTOBER 2021

ANALYSIS BY SIZE OF HOLDINGS AS AT 29/10/2021

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	480	3.725	22,386	0.000
100 - 1,000	530	4.113	295,384	0.006
1,001 - 10,000	2,022	15.693	14,079,617	0.318
10,001 - 100,000	6,272	48.680	320,573,628	7.262
100,001 - 220,712,046 (*)	3,577	27.763	2,572,858,465	58.285
220,712,047 AND ABOVE (**)	3	0.023	1,506,411,465	34.126
TOTAL :	12,884	100.000	4,414,240,945	100.000

REMARK :

* LESS THAN 5% OF ISSUED SHARES

** 5% AND ABOVE OF ISSUED SHARES

INFORMATION ON SUBSTANTIAL HOLDERS' HOLDINGS AS AT 29/10/2021

NO. NAME	DIRECT	NO. OF SHARES %	HELD		%
			INDIRECT	%	
1. EMEMY RESOURCES SDN BHD	557,400,000	12.627	-	-	-
2. OZURA FIRSTLOGIX SDN BHD	495,324,394	11.211	-	-	-
3. HJ MAZRU BIN MAT YUSOF	453,687,071	10.278	557,400,000	12.627	
SUBTOTAL :	1,506,411,465	34.116	557,400,000	12.627	

INFORMATION ON DIRECTORS HOLDINGS AS AT 29/10/2021

NO. NAME	DIRECT	NO. OF SHARES %	HELD		%
			INDIRECT	%	
1. DATO' SRI RUSLI BIN AHMAD	1,200,000	0.027	3,845,000	0.087	
2. DATO' YEK SIEW LEE, ROMAN	55,163,900	1.250	-	-	-
3. FU LIT FUNG	-	-	-	-	-
4. HJ MAZRU BIN MAT YUSOF	453,687,071	10.278	557,400,000	12.627	
5. ONG TIAN SOON	-	-	-	-	-
6. ZAHARIN BIN AHMAD ZAMANI	-	-	-	-	--
SUBTOTAL :	510,050,971	11.555	561,245,000	12.714	

ANALYSIS OF SHAREHOLDINGS

AS AT 29 OCTOBER 2021
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 29/10/2021

NO.	NAME	HOLDINGS	%
1	EMEMY RESOURCES SDN BHD	557,400,000	12.627
2	HJ MAZRU BIN MAT YUSOF	453,687,071	10.277
3	OZURA FIRSTLOGIX SDN BHD	272,178,600	6.165
4	OZURA FIRSTLOGIX SDN BHD	223,145,794	5.055
5	CAPITAL DAY HOLDINGS SDN BHD	80,000,000	1.812
6	NOBLE WESTLINK SDN BHD	70,600,000	1.599
7	ACHIEVER ENERGY PARTNERS SDN BHD	63,333,334	1.434
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (ASING WM CLT)	48,422,500	1.096
9	DATO' YEK SIEW LEE	47,693,900	1.080
10	RAJA HIZAD BIN RAJA KAMARULZAMAN	39,245,000	0.889
11	TEY POR YEE	38,410,400	0.870
12	TEY POR CHEN	32,164,500	0.728
13	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHEN FOOK CHING	30,563,900	0.692
14	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR MUHAMAD AZLI BIN LOKMAN	28,747,000	0.651
15	KOW WEI KUN	21,624,000	0.489
16	NG HOCK SOON	18,000,000	0.407
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FAIZATUL IKMI BINTI ABD RAZAK(E-KPG)	17,839,966	0.404
18	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	17,289,600	0.391
19	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LOON YEOW (CCTS)	16,000,000	0.362
20	SEE TIAN CHWAN	15,000,000	0.339
21	TIRAM TRAVEL SDN BHD	15,000,000	0.339

**ANALYSIS OF
SHAREHOLDINGS**
AS AT 29 OCTOBER 2021
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 29/10/2021

NO.	NAME	HOLDINGS	%
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK (E-TAI/KKR)	14,500,000	0.328
23	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR LGT BANK AG (FOREIGN)	13,041,700	0.295
24	KHOO KAH HOCK	11,700,000	0.265
25	KOW JI MANG	11,485,000	0.260
26	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIEW KOO CHEONG (M09)	11,400,000	0.258
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD HENG CHEE HONG	11,000,000	0.249
28	SIN PEI YIK	10,200,000	0.231
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEOH HANG LIM (PENANG-CL)	10,000,000	0.226
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR YAP HOCK ENG(PW-M01019)(422505)	9,445,800	0.213

ANALYSIS OF WARRANT HOLDINGS A

AS AT 29 OCTOBER 2021

ANALYSIS BY SIZE OF HOLDINGS AS AT 29/10/2021

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	378	12.123	16,949	0.005
100 - 1,000	606	19.435	332,085	0.099
1,001 - 10,000	932	29.890	3,490,311	1.040
10,001 - 100,000	726	23.284	35,721,714	10.651
100,001 - 16,769,129 (*)	476	15.266	295,821,548	88.204
16,769,130 AND ABOVE (**)	-	-	-	-
TOTAL :	3,118	100.000	335,382,607	100.000

REMARK :

- * LESS THAN 5% OF ISSUED WARRANTS
- ** 5% AND ABOVE OF ISSUED WARRANTS

INFORMATION ON DIRECTORS HOLDINGS AS AT 29/10/2021

NO.	NAME	DIRECT	NO. OF	HELD INDIRECT	%
			SHARES %		
1.	DATO' SRI RUSLI BIN AHMAD	-	-	-	-
2.	DATO' YEK SIEW LEE, ROMAN	-	-	-	-
3.	FU LIT FUNG	-	-	-	-
4.	HJ MAZRU BIN MAT YUSOF	-	-	-	-
5.	ONG TIAN SOON	-	-	-	-
6.	ZAHARIN BIN AHMAD ZAMANI	-	-	-	-
SUBTOTAL :		-	-	-	-

**ANALYSIS OF
WARRANT HOLDINGS A**
AS AT 29 OCTOBER 2021
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 29/10/2021

NO.	NAME	HOLDINGS	%
1	KOW WEI KUN	10,450,000	3.115
2	MAH SIEW SEONG	7,408,000	2.208
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON TIONG (E-BMM)	6,532,500	1.947
4	GREAT WORLD LIMITED	5,544,000	1.653
5	TANG CHOCK TSANN	5,500,600	1.640
6	TANG CHOCK TSANN	4,488,600	1.338
7	SEE TIAN CHWAN	4,408,100	1.314
8	SIM MUI KHEE	4,163,000	1.241
9	TAY TIAN SEN	4,000,000	1.192
10	CHONG KEE SOON	3,891,700	1.160
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BCC BAN CHUAN SDN BHD (E-TAI)	3,605,200	1.074
12	LIM LAY PENG	3,500,000	1.043
13	MOHD HOLED BIN TARMIDI	3,500,000	1.043
14	CHANDRAGESAN A/L SUPPIAH	3,029,300	0.903
15	LEE GOON HUAY	3,000,000	0.894
16	CHOO CHEE HIN	2,572,033	0.766
17	CHONG YEE WAN	2,500,000	0.745
18	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHEN FOKK CHING	2,350,000	0.700
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GIE JIH RONG	2,300,000	0.685
20	OOI LENG HWA	2,100,000	0.626
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD YONG CHIN LOON	2,030,000	0.605
22	EUI TING POH	2,000,000	0.596
23	HAMDAN BIN RASID	2,000,000	0.596
24	LIEW SAU ONN	2,000,000	0.596
25	LIM KIAN MIN	2,000,000	0.596
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHD HAFIZZAL BIN ABU HASSAN	2,000,000	0.596
27	ROHANI BINTI RAZALI	2,000,000	0.596
28	SYAHRUL HAZRIN BIN SAHARDIN	2,000,000	0.596
29	TNEH GAIK IM	2,000,000	0.596
30	KOK KAI SING	1,950,000	0.581

ANALYSIS OF WARRANT HOLDINGS B

AS AT 29 OCTOBER 2021

ANALYSIS BY SIZE OF HOLDINGS AS AT 29/10/2021

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	188	19.125	9,356	0.005
100 - 1,000	61	6.205	24,454	0.015
1,001 - 10,000	134	13.631	966,855	0.604
10,001 - 100,000	348	35.401	19,042,811	11.901
100,001 - 7,999,986 (*)	250	25.432	120,288,610	75.180
7,999,987 AND ABOVE (**)	2	0.203	19,667,666	12.292
TOTAL :	983	100.000	159,999,752	100.000

REMARK :

* LESS THAN 5% OF ISSUED WARRANTS

** 5% AND ABOVE OF ISSUED WARRANTS

INFORMATION ON SUBSTANTIAL HOLDERS' HOLDINGS AS AT 29/10/2021

NO. NAME	DIRECT	NO. OF SHARES %	HELD	%
			INDIRECT	
1. MUHAMMAD FAUZI BIN SAMSURI	10,500,000	6.562	-	-
2. ABDUL HANIFF BIN SULAIMAN	9,167,666	5.729	-	-
SUBTOTAL :	19,667,666	12.291	-	-

INFORMATION ON DIRECTORS HOLDINGS AS AT 29/10/2021

NO. NAME	DIRECT	NO. OF SHARES %	HELD	%
			INDIRECT	
1. DATO' SRI RUSLI BIN AHMAD	-	-	-	-
2. DATO' YEK SIEW LEE, ROMAN	-	-	-	-
3. FU LIT FUNG	-	-	-	-
4. HJ MAZRU BIN MAT YUSOF	-	-	-	-
5. ONG TIAN SOON	-	-	-	-
6. ZAHARIN BIN AHMAD ZAMANI	-	-	-	-
SUBTOTAL :	-	-	-	-

**ANALYSIS OF
WARRANT HOLDINGS B**
AS AT 29 OCTOBER 2021
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 29/10/2021

NO.	NAME	HOLDINGS	%
1	MUHAMMAD FAUZI BIN SAMSURI	10,500,000	6.562
2	ABDUL HANIFF BIN SULAIMAN	9,167,666	5.729
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHAMAD ALI BIN HJ DAUD	6,237,700	3.898
4	ZALINDA BINTI SALLEH	5,201,500	3.250
5	SUZILA BINTI KHAIRUDDIN	4,866,666	3.041
6	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH WAI LEONG (E-SS2)	4,320,000	2.700
7	CHAI CHEE FER	2,657,266	1.660
8	MOHD ZUKRI BIN MUSA	2,114,000	1.321
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHD MUZANI BIN MOHAMED NOOR	2,070,300	1.293
10	MOHD SABRI BIN MAAROF	1,679,100	1.049
11	MUHAMAD FAHMI BIN MD YATIM	1,639,300	1.024
12	LEE YEW KEONG	1,500,000	0.937
13	AINUL HUDA BINTI SAIFUDING	1,350,000	0.843
14	BADRI BIN ABDUL RAHMAN	1,285,000	0.803
15	R MOHD NGISOMUDDIN BIN MASDUKI	1,261,600	0.788
16	CHEN KAH WING	1,200,000	0.750
17	LIM SENG HIN	1,200,000	0.750
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD LAU CHUN YAU	1,200,000	0.750
19	ABDUL RAHMAN BIN ABDUL KARIM	1,166,666	0.729
20	CHIM FOONG MAY	1,166,666	0.729
21	KOH SEET TIANG	1,150,000	0.718
22	ANG TIAN FU	1,117,000	0.698
23	KOAY KHEK LUI	1,100,966	0.688
24	FOO PHAIK TIN	1,100,000	0.687
25	AZLAN BIN ISHAK	1,044,800	0.653
26	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER CHERK YEE	1,042,900	0.651
27	KASIM BIN AWANG	1,024,500	0.640
28	AKMALAINI BINTI AHMAD	1,000,000	0.625
29	CHENG KOK SIONG	1,000,000	0.625
30	FONG TEK MON	1,000,000	0.625

ANALYSIS OF WARRANT HOLDINGS C

AS AT 29 OCTOBER 2021

ANALYSIS BY SIZE OF HOLDINGS AS AT 29/10/2021

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	56	4.844	2,531	0.000
100 - 1,000	46	3.979	20,860	0.007
1,001 - 10,000	137	11.851	824,779	0.292
10,001 - 100,000	496	42.906	28,304,827	10.048
100,001 - 14,084,216 (*)	421	36.418	252,531,359	89.650
14,084,217 AND ABOVE (**)	-	-	-	-
TOTAL :	1,156	100.000	281,684,356	100.000

REMARK :

* LESS THAN 5% OF ISSUED WARRANTS

** 5% AND ABOVE OF ISSUED WARRANTS

INFORMATION ON DIRECTORS HOLDINGS AS AT 29/10/2021

NO.	NAME	DIRECT	NO. OF	HELD INDIRECT	%
			SHARES %		
1.	DATO' SRI RUSLI BIN AHMAD	-	-	-	-
2.	DATO' YEK SIEW LEE, ROMAN	-	-	-	-
3.	FU LIT FUNG	-	-	-	-
4.	HJ MAZRU BIN MAT YUSOF	-	-	-	-
5.	ONG TIAN SOON	-	-	-	-
6.	ZAHARIN BIN AHMAD ZAMANI	-	-	-	-
SUBTOTAL :		-	-	-	-

**ANALYSIS OF
WARRANT HOLDINGS C**
AS AT 29 OCTOBER 2021
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 29/10/2021

NO.	NAME	HOLDINGS	%
1	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOW THIAM HOOI (E-KLG)	9,000,000	3.195
2	SEE TIAN CHWAN	8,419,800	2.989
3	CHAN CHOON NGAI	6,000,000	2.130
4	KOW WEI KUN	4,807,400	1.706
5	LEE KOK GUAN	4,000,000	1.420
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEONG KHEN TSHUNG	3,600,000	1.278
7	MOHAMAD RAHIMI BIN RAZALI	3,301,200	1.171
8	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LOON YEOW (CCTS)	3,300,000	1.171
9	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHEE SING (M)	3,100,000	1.100
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KAI CHON (E-JAH)	3,000,000	1.065
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOO MUN YU (M01)	2,805,200	0.995
12	LEE SIM NEE	2,700,000	0.958
13	JANG KONG PING	2,550,000	0.905
14	LEE GOON HUAY	2,500,000	0.887
15	LOW SOH LAY	2,500,000	0.887
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUAH SWEE HUAT (E-KLC)	2,500,000	0.887
17	OOI LENG HWA	2,360,000	0.837
18	HONG TEEK LEE	2,333,333	0.828
19	THAU WAI GUEAN	2,197,600	0.780
20	KOW JI MANG	2,133,000	0.757
21	HON MEOW CHOON	2,100,000	0.745
22	SAMSULBAHARI BIN MOHD NOOR	2,050,000	0.727
23	MOI TAI @ LOY SHUE HUA	2,000,000	0.710
24	TAN HUNG CHEW	2,000,000	0.710
25	TAN POH SUAN	2,000,000	0.710
26	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHEN FOOK CHING	1,943,400	0.689
27	ENG SOK BOI	1,838,000	0.652
28	KHOO KIM HONG	1,700,000	0.603
29	LIEW SAU ONN	1,700,000	0.603
30	ABDUL LATIF BIN DIN	1,661,400	0.589

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting ("17th AGM") of the Company will be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 28 December 2021 at 10.30 a.m. However, please be informed that in the event the Movement Control Orders is extended, the Company will make the necessary announcements on the details of the virtual meeting on the company's website @ <https://nexgram.co/> accordingly.

The following are the business to be transacted at the 17th AGM :

AGENDA

ORDINARY BUSINESS :

1. To receive the Audited Financial Statements for the financial year ended 31 July 2021 together with the Reports of the Directors and Auditors thereon.	Please refer to Explanatory Note 1
2. To approve the payment of Directors' fees of RM168,000 for the financial year ended 31 July 2021.	Resolution 1 Please refer to Explanatory Note 2
3. To approve the payment of meeting allowances of RM9,000 for the financial year ended 31 July 2021.	Resolution 2 Please refer to Explanatory Note 2
4. To approve the payment of Directors' fees and meeting allowances payable to Non-Executive Directors from 1 August 2021 until the conclusion of the next Annual General Meeting.	Resolution 3 Please refer to Explanatory Note 2
5. To re-elect Hj Mazru Mat Yusof who retires in accordance with Clause 97.1 of the Company's Constitution and being eligible, offers himself for re-election.	Resolution 4
6. To re-elect Dato' Yek Siew Lee, Roman who retires in accordance with Clause 97.1 of the Company's Constitution and being eligible, offers himself for re-election.	Resolution 5
7. To re-appoint Messrs CAS Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 6

SPECIAL BUSINESS :

To consider and, if thought fit, to pass with or without modifications, the following resolutions:

8. ORDINARY RESOLUTION 7 AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016	Resolution 7 Please refer to Explanatory Note 3
---	--

"**THAT** subject always to the Companies Act, 2016 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 76 of the Companies Act, 2016, to issue and allot shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation of the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

(CONTINUED)

ANY OTHER BUSINESS :

9. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778) (SSM PC No. 201908000410)
Company Secretaries

Kuala Lumpur
Dated : 30 November 2021

NOTES :

1. *A member of the Company is entitled to attend and vote at the meeting may appoint one or more proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.*
2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*
3. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the General Meeting at which the person named in the appointment proposes to vote:*
 - In hard copy form*
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - By electronic form*
*The Proxy Form can be electronically lodged via **TIIH Online** website at <https://tiih.online>. Kindly refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.*
6. *Only members whose names appear in the Record of Depositors on 21 December 2021 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

(CONTINUED)

EXPLANATORY NOTES :

1. Audited Financial Statements

This item of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Companies Act, 2016 require the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this item of the Agenda is not a business which requires a resolution to be put to vote by shareholders.

2. Directors' Remuneration

Section 230(1) of the Companies Act, 2016 provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the following payments to the Non-Executive Directors of the Company at the Sixteenth Annual General Meeting in three (3) separate resolutions as stated below.

Ordinary Resolution 1 seeks approval for payment of Non-Executive Directors' fees of RM168,000 for the financial year ended 31 July 2021.

Ordinary Resolution 2 seeks approval for payment of meeting allowances of RM9,000 to the Non-Executive Directors for the financial year ended 31 July 2021.

Ordinary Resolution 3 seeks approval for payment of Directors' fees and meeting allowances payable to Non-Executive Directors from 1 August 2021 until the conclusion of the next Annual General Meeting of the Company comprising the following, with or without modifications :

		Directors' Fees (Per Director) RM	Meeting Allowance (Per Meeting) RM
Board of Directors	Chairman	5,000	200
	Non-Executive Directors	3,000	200
Audit Committee	Chairman	-	200
	Member	-	200
Nomination Committee	Chairman	-	200
	Member	-	200
Remuneration Committee	Chairman	-	200
	Member	-	200

3. Authority to Issue and Allot Shares

The proposed Ordinary Resolution 7 is a renewal of the previous year's mandate and if passed, will authorise the Directors of the Company to issue new shares up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issue, for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

This mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. This mandate is also meant for any possible fund-raising exercises including but not limited to further placement of shares, for purpose of funding current and/or future investments, working capital and/or acquisitions.



Nexgram Holdings Berhad
[200401021550 (660055-H)]

FORM OF PROXY

I/We _____ NRIC No./Company No. _____
(*FULL NAME IN BLOCK LETTERS*)

of _____
(*FULL ADDRESS*)

Telephone No.: _____ Email Address: _____

being a member/members of NEXGRAM HOLDINGS BERHAD, hereby appoint _____
(*FULL NAME IN BLOCK LETTERS*)

NRIC No. _____ of _____
(*FULL ADDRESS*)

Telephone No.: _____ Email Address: _____

and/or failing him _____ NRIC No.
(*FULL NAME IN BLOCK LETTERS*)

of _____
(*FULL ADDRESS*)

Telephone No.: _____ Email Address: _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Seventeenth Annual General Meeting of the Company to be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 28 December 2021 at 10.30 a.m. and at any adjournment thereof in the manner indicated below :

AS ORDINARY BUSINESS		FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Non-Executive Directors' fees of RM168,000 for the financial year ended 31 July 2021.		
Ordinary Resolution 2	To approve the payment of meeting allowances of RM9,000 for the financial year ended 31 July 2021.		
Ordinary Resolution 3	To approve the payment of Directors' fees and meeting payable to Non-Executive Directors from 1 August 2021 until the conclusion of the next Annual General Meeting.		
Ordinary Resolution 4	To re-elect Hj Mazru Mat Yusof who retires in accordance with Clause 97.1 of the Company's Constitution and being eligible, offers himself for re-election.		
Ordinary Resolution 5	To re-elect Dato' Yek Siew Lee who retires in accordance with Clause 97.1 of the Company's Constitution and being eligible, offers himself for re-election.		
Ordinary Resolution 6	To re-appoint Messrs CAS Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
Ordinary Resolution 7	Authority to Issue and Allot Shares pursuant to Section 76 of the Companies Act, 2016.		

First Proxy	%
Second Proxy	%
Total:	100%

No. of shares held :	
CDS A/C No.:	

Signed this _____ day of _____, 2021

Signature

NOTE :

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 21 December 2021 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 17th AGM.
2. Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him, and that a proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.
3. If you wish to appoint as your proxy any person other than "the Chairman of the Meeting", please insert the full name of the proxy (in block letters) in the space provided and delete the words "the Chairman of the Meeting".
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.
5. A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.
6. Please indicate with and "X" either "For" or "Against". If neither "For" or "Against" is indicated, the proxy will vote as he thinks fit or abstain from voting.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the General Meeting at which the person named in the appointment proposes to vote:

i. In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

ii. By electronic form

The Proxy Form can be electronically lodged via **TIIH Online** website at <https://tiih.online>. Kindly refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.

PERSONAL DATA PRIVACY :

By submitting an instrument appointing a proxy(ies) and / or representative(s) to attend, speak and vote at the Company's AGM and/or any adjournment thereof, a member of the Company:-

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**".)
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Please be informed that in the event the Movement Control Orders is extended, the Company will make the necessary announcements on the details of the virtual meeting on the company's website at <https://nexgram.co/> accordingly.

1st Fold Here

AFFIX
STAMP

THE SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
[197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

2nd Fold Here

Fold This Flap For Sealing



NEXGRAM HOLDINGS BERHAD

(200401021550 (660055-H))

CORPORATE OFFICE

Nexgram Holdings Berhad

(200401021550 (660055-H))

B02-A-16, Menara 3, KL Eco City, No. 3, Jalan Bangsar
59200 Kuala Lumpur, Wilayah Persekutuan
T: +603 2202 3767 F: 03 2282 5022

SUBSIDIARIES OFFICES

Sensorlink Holdings Sdn Bhd

(200501024218 (706350-D))

51, Jalan Kuchai Maju 1, Off Jalan Kuchai Lama
58200 Kuala Lumpur, Wilayah Persekutuan
T: +603 7983 7270 F: +603 7983 9330

Transeaways Shipping Sdn Bhd

(199801012166 (468294-H))

A-155, 2nd Floor, Jalan Air Putih
25300 Kuantan, Pahang Darul Makmur
T: +609 566 0811 F: +609 566 0816

Nexgram Biomedic Sdn Bhd

(202001012917 (1369237-A))

B02-A-16, Menara 3, KL Eco City, No. 3, Jalan Bangsar
59200 Kuala Lumpur, Wilayah Persekutuan
T: +603 2202 3767 F: 03 2282 5022

Tri-G Technologies Sdn Bhd

(201001015122 (899363-H))

No. 6-2, Jalan PJS 8/12A, Dataran Mentari
46150 Petaling Jaya, Selangor Darul Ehsan
T: +603 5613 5722 F: +603 5613 6722

Medic Data Science Pte Ltd

(202030583K)

B02 A-16, Menara 3, KL Eco City, No. 3, Jalan Bangsar
59200 Kuala Lumpur, Wilayah Persekutuan
T: +603 2202 3767 F: 03 2282 5022